0 14302 76871 1 19

AA B00006 672
020190949 10905 DEC99
ASST MNG EDITOR
CONGRESSIONAL INFO SVC
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
BETHESDA MD 20814

C-2710-1

NEWSPAPER

Advertising Age

May 11, 1992

Copyright 1992 by Crain Communications Inc.

Crain's International Newspaper of Marketing • In Two Sections • Section 1 • $2.50 • $3.00 in Canada • £5.00 in U.K.

Coke II sneaks into cola combat zone

Ill-fated 'New Coke' gets 2nd life; counterattack expected from Pepsi

By Alison Fahey

Coca-Cola USA is quietly introducing Coke II into several major markets in a move that could evolve into a national rollout and spark the nastiest battle ever in the cola wars.

Coke II is a different name for "New Coke," the reformulated cola that replaced original Coke in April 1985 in what proved to be one of the most ill-conceived product changes in marketing history.

After testing for two years in Spokane, Wash., Coke II on April 7 entered its second market—Chicago—accompanied by much fanfare, including a comparative ad campaign aimed at rival Pepsi-Cola.

Since then, Coke II has been introduced in several markets in upstate New York, including Albany, Syracuse, Utica and Watertown, as well as Fort Wayne, Ind. Coke II will also soon be on store shelves in Philadelphia and Indianapolis.

Coca-Cola said it will continue to move the brand into new, unidentified markets at a quick pace but declined to say

(Continued on Page 74)

■ Pepsi launches it's "Gotta Have It" card—Page 74.

WRG buys majority in sales promo shop

McCracken Brooks fills need for integrated marketing

By Bob Geiger

Wells Rich Greene BDDP this week will announce the purchase of a majority interest in McCracken Brooks Communications, a Minneapolis sales promotion agency.

The purchase will give WRG its first entry in integrated marketing services, where the agency has lagged behind nearly all its major competitors.

Executives at both WRG and McCracken declined to comment on the planned acquisition, but WRG has scheduled a May 12 news conference in Minneapolis to announce "an important communications acquisition." Terms couldn't be learned.

Last year's purchase of a controlling interest in the agency by French-based BDDP Group signaled the move into integrated services, which agency founder Mary Wells Lawrence had long resisted.

Unlike most of its New York competitors, WRG has no units specializing in marketing disciplines like sales promotion, direct marketing or public relations. Instead, the agency has concentrated solely on media advertising.

But after the BDDP investment, observers said WRG would soon embark on a "catch-up" acquisition plan.

"Last year, we decided to diversify to get us into other businesses separate from the agency in sales promotion and direct marketing," said an WRG agency executive. "We've looked at hundreds of independents in the U.S. and are continuing to look for direct marketing companies."

Indeed, the McCracken acquisition supports remarks made by top executives at BDDP last year when they took control of WRG.

"We respect the other [marketing] disciplines the same way we respect other cultures," Jean Claude Boulet, president-ceo of BDDP Worldwide, said in an interview last June.

"Boulet was with Young & Ru-

(Continued on Page 8)

LAST MINUTE NEWS

MCI taps Devon Direct

WASHINGTON—MCI Communications Corp. consolidated its estimated $50 million to $70 million direct marketing account with Devon Direct Marketing & Advertising, Berwyn, Pa. Devon recently resigned Sprint's estimated $15 million direct marketing account. Ross Roy Direct, Bloomfield Hills, Mich., which was MCI's largest direct marketing agency and introduced the Friends & Family discount calling program, has been dismissed. Separately, the Stenrich Group, Glen Allen, Pa., which has handled some direct marketing business for MCI until recently, now is on Sprint's roster.

Scientologists sue WPP

LOS ANGELES—Church of Scientology is suing WPP Group, Hill & Knowlton and Eli Lilly & Co. The church alleges its "civil and contractual rights" were breached when Lilly allegedly persuaded WPP and its public relations unit to drop the Scientology account without a required 60-day notice. The lawsuit—and a *USA Today* ad insert last June—contend the move stemmed from the church's attacks on Lilly's Prozac, an anti-depressant drug,

(Continued on Page 8)

INSIDE

TV Buying: Exclusive survey sends out strong sales signals. **After Page 40.**

Photos by Mark Perlstein

Robert Crandall says the airline can't be a low-cost operation.

The inventor will always 'get the edge': Crandall

American chief says price cuts cause focus on 'value'

ONE ON ONE

American Airlines, the U.S.' No. 1 carrier, last month boldly revised its domestic price structure under an innovative "value pricing plan." The plan, offering simplified, lower fares with more flexibility, is aimed at boosting travel —particularly business travel. The move shook the industry and pushed rivals to market their own "value" messages. Chairman Robert L. Crandall spoke with Advertising Age *Southwest Bureau Chief Jennifer Lawrence at his Fort Worth, Texas, office.*

Advertising Age: *What do you feel was your competitive advantage in getting out there first with your value pricing plan?*

Mr. Crandall: Well, the inventor always gets an edge. Certainly, I think we got a strong ownership claim to the word "value" in the airline business.

I think we've certainly established a leadership position both among consumers and among travelers, and I think those things will be good for some modest incremental share of the business.

AA: *What if Trans World Airlines comes out with some new fare this week?*

Mr. Crandall: TWA can do anything it wants to. You know I'm completely indifferent to what TWA does. I genuinely am indifferent. I don't care what they do . . . We're going to match whatever

(Continued on Page 62)

Ad Council targets racism in wake of L.A. rioting

An Ad Age Roundup

As riot weary Los Angeles last week began sorting through the rubble of charred neighborhoods and a devastated economy, Sam Chisholm, president of black-owned The Mingo Group, telephoned Ad Council President Ruth Wooden with a plea for an industry campaign to deal with racial intolerance.

If all goes well, the first evidence of that all-media campaign should be visible within a few weeks.

"There is a window of opportunity right now insofar as media acceptance is concerned . . . that we would like to take advantage of," Ms. Wooden said. "The media are interested in any issue to improve [race] relations."

Mr. Chisholm's New York-based agency is expected to produce the initial wave of ads dealing with the need for racial tolerance and communication.

"We are strategizing on that right now," Mr. Chisholm said. "I told the Ad Council that given what is happening in this country, it's important to get a better understanding of each other . . . and advertising can play a very significant role in that."

Like all Ad Council efforts, the proposed campaign on tolerance will have a sponsoring organization to provide guidance and cover production costs. Ms. Wooden said the likely sponsor is

(Continued on Page 76)

NEWS SUMMARY

- **Wells Rich Greene** will purchase a majority interest in the McCracken Brooks sales promotion agency. 1
- **Coca-Cola's** Coke II, positioned against Pepsi-Cola, is moving into more markets, which may lead to a national marketing confrontation between the two cola giants. 1
- **Burger King** named Marketing Corp. of America as its agency for promotions targeted to adults and families. 3
- **TV's upfront market** is likely to include a 4% rise in prices for prime-time network commercials. 3
- **Colgate-Palmolive** plans three product rollouts and increased marketing this year, stockholders were told. 4
- **Supermarket** leaders complain part of discounters' price advantage comes from deals given by suppliers. 6
- **Sheraton** is promoting its new SureSavers program. 6
- **Iowa's** new tax on "consulting services" will probably affect some advertising activities. 16
- **American Express** plans a boost in marketing expenditures in anticipation of cost-cutting in 1993. 59
- **United Airlines** will offer McDonald's children's meals on all flights out of its Chicago hub. 70
- **Lean Cuisine** ice cream is rolling out this spring. 72
- **John Ferrell** is a principal of Calet, Hirsch & Ferrell, formed by the merger of two agencies. 73
- **Omnicom** folded most of Tracy-Locke into DDB Needham; Altschiller Reitzfeld becomes a free standing agency. 75

COMPANY INDEX

The following marketers, media and ad agencies received significant mentions in this issue of *Advertising Age*. (This list excludes Last Minute News, For the Record and other news briefs.)

ABC 3, 44, S-22
Altschiller Reitzfeld 75
Amax 66
American Airlines 1
American Express Co. 59
Anheuser-Busch 4
Arby's 12
Bayer Bess Vanderwarker 4
Braun Inc. 29
Browning-Ferris Industries 67
Burger King Corp. 3
Calet, Hirsch & Specter 73
Campbell Soup Co. 6
Carat 65
CBS 3, 44, S-14, S-22
Central Bottlers 64
Chiat/Day/Mojo 70
Coca-Cola USA 1
Colgate-Palmolive Co. 4
Compaq Computer Corp. 54
DDB Needham Worldwide 75
Fox Broadcasting Co. 3, 44
General Motors Corp. 2
Gillette Co. 29
Glendinning Associates 42
Haublein 22
Hilton Hotels Corp. 6
Ho-Lee-Chow 29
Hyatt Hotels Corp. 6
Information Resources Inc. 42
Interactive Network 66
ITT Sheraton Corp. 6
James River Corp. 78
Kraft General Foods 4
Larami Corp. 3
Lord, Sullivan & Yoder 64
Marketing Corp. of America 3
Martin Agency 77
MasterCard International 56
McCracken Brooks Communications 1
McDonald's Corp. 70
Mercedes-Benz of North America 77
Mingo Group 1
Multimedia Inc. 54
NBC 3, 44, S-14, S-22
Nestle Dairy Systems 72
Newman's Own 72
Nielsen Marketing Research 42
Nike 76
Nunes Co. 72
Omnicom Group 75
Pepsi-Cola Co. 1, 74
Radisson Hotel Corp. 6
Research Spectrum 42
Ross Roy Group 73
Sears, Roebuck & Co. 56
Tempo Industries 64
Texaco 66
TGI Friday's 22
Total Research Corp. 42
Tracy-Locke 75
Turner Broadcasting System S-20
United Airlines 54, 70
Visa USA 56
"Vogue" 64
Warner-Lambert Co. 22
Wells Rich Greene BDDP 1
Wergeles Drazen 73
"Worth" 4
Wm. Wrigley Jr. Co. 22
WPP Group 2

DEPARTMENTS

Ad Review 77
James Brady 28
Brady's Bunch 46
Classifieds 66
Con-Sid-erations 28
Corrections & Clarifications 36
Rance Crain 29
Editorials 28
For the Record 73
Forum 32
Letters 30
MediaWorks 44
People Moving 54
Photo Review 52
Research News 42
Special Report: TV Buying & Planning ... after 48
The Next Trend 29

Contents copyright 1992 by Crain Communications Inc. All rights reserved.

Vol. 63, No. 19—ADVERTISING AGE (ISSN 0001-8899) is published weekly (except for a special issue the fourth week in September and a combined year-end issue in December) by Crain Communications Inc. at 740 Rush Street, Chicago, Ill. 60611-2590. Second-class postage paid at Chicago and additional mailing offices. Postmaster: Send address changes to ADVERTISING AGE, Circulation Department, 965 E. Jefferson, Detroit, Mich. 48207. $2.50 a copy, $94 a year, $134 two years. Add $151 per year for air delivery to Europe & Middle East. Add $70 for surface mail to all other foreign countries. WILLIAM STRONG, VP-circulation; DAVE KELLEY, circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to Circulation Department, Advertising Age, 965 E. Jefferson, Detroit, Mich. 48207-3185 1-800-678-9595. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48103. Microfiche copies are available from Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, Ohio 44691. AD AGE is available for electronic retrieval on the NEXIS® Service, Mead Data Central, Inc., P.O. Box 933, Dayton, Ohio 45402 (800 227-4908).

WPP has high hopes for 2nd restructuring

Banks may end up owning half of company

By Laurel Wentz

LONDON—For Martin Sorrell, the recession has gone on way too long.

On the evening of May 8, his WPP Group announced that the group's lead banks had reacted favorably to Mr. Sorrell's proposed second major financial restructuring in a year.

This follows a week of falling share prices, speculation the company may have difficulty renewing accounts receivables deals, and erroneous reports that Mr. Sorrell, WPP's chief executive, might be asked to resign.

WPP made the proposals to a syndicate of 24 banks on May 7, and the company's May 8 statement said "the [banks'] coordinating committee supports the principal features of these proposals . . . These outline proposals are currently being considered by the banking syndicate."

The main feature of the proposed plan will convert a big chunk of WPP's debt—probably about $250 million—into shares that will leave the banks owning up to half of the London-based company.

The banks' stake in WPP will depend on how many of the existing shareholders take advantage of an arrangement enabling them to buy some of the banks' shares.

WPP would also borrow more money, believed to be $150 million to $200 million for two years, for general cash flow purposes.

Under the proposed plan, the company's existing preference shares would be converted into ordinary shares, eliminating dividend arrears. The company has already skipped the twice-yearly preference share dividends three times to save cash.

Without the conversion to ordinary shares, WPP would eventually have to pay preference shareholders all their back dividends, currently totaling about $46 million.

Sorrell

In addition, the company is renegotiating bank covenants it may be in danger of breaching.

WPP said it hopes to announce full details of the plan in late June.

After WPP's $1 billion restructuring last spring, Mr. Sorrell calculated ad spending would recover enough by now to enable him to pay off WPP's mounting debts from cash flow.

Instead, WPP has spent the past six months closeted with advisers and bankers in discussions about the company's financial position.

And despite a Reuters report that he would be asked to resign at the meeting with banks May 7, Mr. Sorrell has survived.

WPP's share price fell from 68 pence to 47 pence last week.

WPP has been facing a bewildering—and escalating—array of financial commitments. They include working capital requirements, preference share dividends piling up and average net debt of $835 million on which WPP would pay interest this year of about $75 million. Also, new debt payments kick in next year.

In June 1993, WPP has to pay or renew a $400 million medium-term facility and start making payments on the $604.5 million acquisition debt from buying Ogilvy & Mather.

The proposals WPP made to its banks last week, if accepted, would ease the debt burden and provide new cash.

One of WPP's most immediate problems has been the accounts receivables the company sells against payments from blue-chip clients at Ogilvy & Mather, J. Walter Thompson Co. and Hill & Knowlton.

By selling clients' invoices at a discount to a bank or other buyer, a company can improve its cash flow, a common business practice but unusual in the advertising industry.

WPP has three such deals in place. The first, an $85 million deal with Dutch bank Algemene Bank Nederland and Fuji Bank, expires in June. The second is believed to expire in December and the third in 1993.

WPP is anxious to renew the accounts receivables deals, expected to be easier after the statement showing bank support.

"If the company hadn't been able to announce the statement, I think the negotiations with the receivables deal might have been trickier," said a banker at Samuel Montague & Co., WPP's merchant bank adviser. "One is now confident there will be a satisfactory resolution." □

Overhaul of Oldsmobile is new GM regime's No. 1 task

By Phil Frame
Crain News Service

General Motors Corp.'s new regime will try to sharpen the image of its car marketing divisions, with foundering Oldsmobile getting the biggest makeover, according to plans under consideration.

The marketing divisions are considering sacrificing models that blur their images and compete too closely with other GM vehicles, according to strategies for the mid- to late 1990s being examined by GM's North American Operations planners.

The plans under consideration include eliminating the Oldsmobile Ciera and Bravada, Buick Roadmaster, Pontiac LeMans, the four-door version of the Pontiac Grand Prix and the 1997 model-year remake of the Chevrolet Caprice, say sources at GM's new North American Operations.

Spurred by angry investors and outside board members impatient with GM's $6.5 billion in losses over the past two years, planners are considering previously unthinkable options, company insiders say.

Oldsmobile would have to shift the most dramatically from its current position.

Outsiders commonly suggest eliminating the division entirely. But GM executives steadfastly say they shouldn't easily discard a dedicated dealer body of 3,000 and decades of built-up brand equity.

GM planners are considering previously unthinkable options.

Regarded internally as more conservative and nearly as pricey as Buick, Olds will get an image makeover by the late 1990s. It will embody the idea of cutting-edge expression for upscale customers 30 to 45 years old.

Hard evidence of the change began last month when the division axed the slow-selling Custom Cruiser wagon and Toronado. GM insiders say the Bravada sport-utility could be removed after the 1993 model year. But an Olds spokesman said the Bravada is "very much a part of our product program going forward."

GM's other marketing divisions will make smaller moves.

Buick will remain a division for conservative, wealthy, older people. Models such as the Regal, Skylark and Roadmaster are in danger, some say.

Chevrolet is likely to lose the Caprice, which planners believe has become too expensive for the division's value-conscious customers.

Pontiac's positioning will change less. It will probably lose only the Korean-built LeMans, which will be sold through model year 1993, a Pontiac insider said. The TransSport minivan may survive, though some at GM suggest Pontiac won't get a version of the next generation of GM minivans in 1996.

Cadillac will become slightly more upscale and more highly styled, sporty and sleek—along the lines of the 1992 Seville and Eldorado. Only the Allante could depart but not until a replacement is readied, probably in the 1995 or 1996 model year.

Saturn will remain unchanged for now, but eventually would like mid-size models to compete against Japanese competitors such as Honda Accord and Toyota Camry. □

One Super Soaker spot features two boys dressed like gangsters stirring up trouble at a party.

Super Soaker gun could be this year's biggest shot on summer toy scene

By Kate Fitzgerald

The Super Soaker water gun is on target toward becoming this summer's best-selling toy.

Larami Corp. introduced the water gun in 1991, and this year the Super Soaker is flying off retailers' shelves at an even faster pace due to its broad aim.

The key is that the toy is attracting unexpected interest from adults, including seniors.

Driven by air pressure, the Super Soaker delivers a walloping dose of water and soaks its targets without harming them.

"The appeal is that when you shoot somebody with this gun, people get wetter than they would from any other type of squirt gun," said Al Davis, Larami's exec VP-sales. "It's funny, and it really catches people off-guard."

"We thought we were going after kids between the ages of 6 and 12 with this product, and we thought we had a handle on it. We were wrong," Mr. Davis said.

The most startling example of missing the target audience came last year when the company got a request for a bulk shipment of Super Soakers for a group of senior citizens on a cruise, he said.

This year, Larami has dramatically stepped up production, as well as expanding the line to include two new sizes of guns.

Sales are already brisk and ahead of last year's sellout pace, Mr. Davis said, adding, "Every major mass merchandiser in the country is asking for more than they originally ordered."

Larami broke a new TV commercial in April targeting a broader audience than last year's spot aimed only at children. The new spot, via Sive/Young & Rubicam, Cincinnati, appeals to "kids and an older audience."

The 30-second spot shows two teen-age boys who are turned away from a birthday party by a young woman named Buffy.

Dressed like gangsters, the boys return to the party with a loaded Super Soaker, catching Buffy by surprise and drenching her with the gun and totally disrupting the party. □

Burger King taps shop for 'family' promotions

Marketing Corp. of America confounds conventional wisdom in beating 3 others for specialized business

By Scott Hume

Burger King Corp. pulled a surprise last week, naming Marketing Corp. of America as its agency for "all-family" promotional marketing.

The No. 2 hamburger chain in March said it wanted to designate a single agency to handle promotions targeted to adults and families, an announcement that drew inquiries from dozens of promotion shops.

The account is expected to generate agency fee revenues of $3 million to $5 million, said one Burger King insider, giving the assignment billings equivalent to upwards of $30 million.

A company spokesman said there's no way of knowing the budget for work from the Westport, Conn.-based shop, saying "it all depends on what plans we come up with." Burger King last year spent roughly $140 million of its $215 million marketing budget on media advertising; much of the rest is thought to be directed to promotions.

The early money was on Alcone Sims O'Brien, Irvine, Calif., the agency that vaulted to the No. 1 spot among promotion shops in December through the merger of Omnicom Group's Sims Freeman O'Brien and Alcone Promotion. Alcone has been handling Burger King's children's marketing programs, including the very successful BK Kids Club with a database of more than 2 million names.

Alcone will still handle children's promotions, but a consolidation of all promotion work at the agency

(Continued on Page 75)

Economic rebound means small upfront price hikes

By Joe Mandese

NEW YORK—Network TV advertisers can expect to pay as much as 4% more for prime-time commercials during the coming upfront marketplace than they did last season.

Within the past couple of months, projections for 1992-93 upfront prime-time prices have shifted to slight increases from significant decreases amid signs of a general economic recovery.

Network sales executives say they plan to hold out for middle to high single-digit gains while agency media buyers say they will pay little or no increases.

"The agencies are going to be shooting for small decreases to zero," said George Mahrlig, director-media and event marketing of Coors Brewing Co. "The networks are going to be looking for probably plus 6% to plus 8% increases. It will probably end up somewhere in the middle."

Ephron, Papazian, Ephron's NetCosts service has projected prime-time commercial costs on the Big 3 will rise about 4% to an average household cost per thousand of $8.73

The increase is especially significant because prices in last year's upfront fell about 12% to a CPM of $8.40. Buyers said the decline was an overdue correction following several years of rampant inflation in the cost of prime-time inventory.

Arthur Schreibman, president of Clifford A. Botway Inc., a major independent media buyer, said he believes some of the Big 3's optimism will be tempered by Fox Broadcasting Co.'s expansion to a sixth night of prime-time programming and its ratings growth during the past season.

That will probaby siphon $100 million to $300 million from the Big 3 networks, he estimated.

In 1991, Fox had about $606 million in prime-time ad sales, compared with $1.9 billion for ABC, $1.6 billion for CBS and $2 billion for NBC.

Mr. Schreibman also noted about $200 million in sales would be diverted from the Big 3 to a variety of new syndicated programming, including several hours from Paramount Commmunications Co. and Warner Bros.

Big 3 sales executives say ad

(Continued on Page 75)

Upfront costs rise

Prime-time cost per thousand.

	91/92	92/93*	% chg
4th quarter buys	$7.70	$8.10	4.0
1st quarter buys	$7.49	$7.79	4.0
2nd quarter buys	$9.59	$9.97	4.0
3rd quarter buys	$8.74	$9.09	4.0

*Projected. Source: Ephron, Papazian, Ephron's NetCosts Service

Perot campaign bids for adman; gets turned down

Veteran consultant walks away from seven-figure political deal

By Steven W. Colford

POLITICS 92

Raymond Strother, a veteran political consultant and former New Orleans ad agency owner, last week said he turned down a seven-figure offer from Ross Perot to produce the Texas billionaire's presidential campaign ads.

Mr. Strother, 51, said he rejected what he called the "largest [financial] offer in the history of advertising."

"It was an enormous fee," he said. "It was way, way beyond the usual because they said they didn't want to deal with commissions."

The Perot campaign neither confirmed nor denied the claim.

But Thomas Luce, a longtime Perot friend and likely campaign manager, is known to be interviewing political consultants, media buyers, pollsters and strategists (AA, April 13). Mr. Perot is expected to announce his candidacy as an independent next month.

Doug Goodman

Ross Perot's lucrative offer wasn't enough to attract Raymond Strother to handle his presidential campaign ads.

Mr. Strother said he got the offer three weeks ago from Mr. Luce, a Dallas attorney and unsuccessful Republican gubernatorial candidate in 1990.

"I talked to my partner [Jim Duffy] and my son, then called Luce back two days later," Mr. Strother said. "I didn't take it because, for one thing, I don't want to hurt a Democrat's chances . . . and, honestly, it would not be a good business decision . . . I don't want to be seen as partially responsible for the defeat of a Democrat."

Mr. Strother worked for U.S. Sen. Al Gore in the Tennessee Democrat's unsuccessful bid for his party's 1988 presidential nomination. The former adman has already incurred the wrath of some Democrats by continuing to work for former Louisiana Gov. Buddy Roemer after he left the Democrats to become a Republican.

"Being in another presidential campaign was tempting, but the reality is that it would be so different to start out working with an unsophisticated politician," he said.

Now, Mr. Strother speculated, the Perot campaign may turn to a group of media consultants.

Even though he said no, Mr. Strother has a definite idea of what sort of media campaign Mr. Perot should wage.

"Had I taken it, we would have gone for 30-minute commercials, maybe 5-minute ads—never anything less than 2 minutes," he said. "We might have shown him in a well with people firing questions at him—kind of Donahue-like—and then taken an hour of film and edited it down to a half-hour, then aired it the same day." □

How clients compensate agencies

Percentage of advertisers choosing each option, by account size.

Account size	Standard 15% commission	Sliding-scale or lower commission	Labor-based fee
Under $10 million	36%	4%	47%
$10 million-$49 million	31%	29%	35%
$50 million+	29%	50%	13%
All advertisers	**33%**	**26%**	**32%**

All figures may not add up to 100% because some advertisers gave other responses or no answer.
Source: Association of National Advertisers

ANA looks at agency pay

Advertisers doubting shops' own accounting method

By Gary Levin

Agency compensation is a growing concern among advertisers, and most of them believe agencies aren't especially adept at handling finances.

Those are among the findings of the Association of National Advertisers' latest survey on agency compensation, released last week at a financial management conference in Phoenix, Ariz.

In the latest survey, 33% of responding advertisers said they continue to pay agencies the standard 15% commission rate, down from 35% in 1989, when the survey was last fielded, and 43% in 1986.

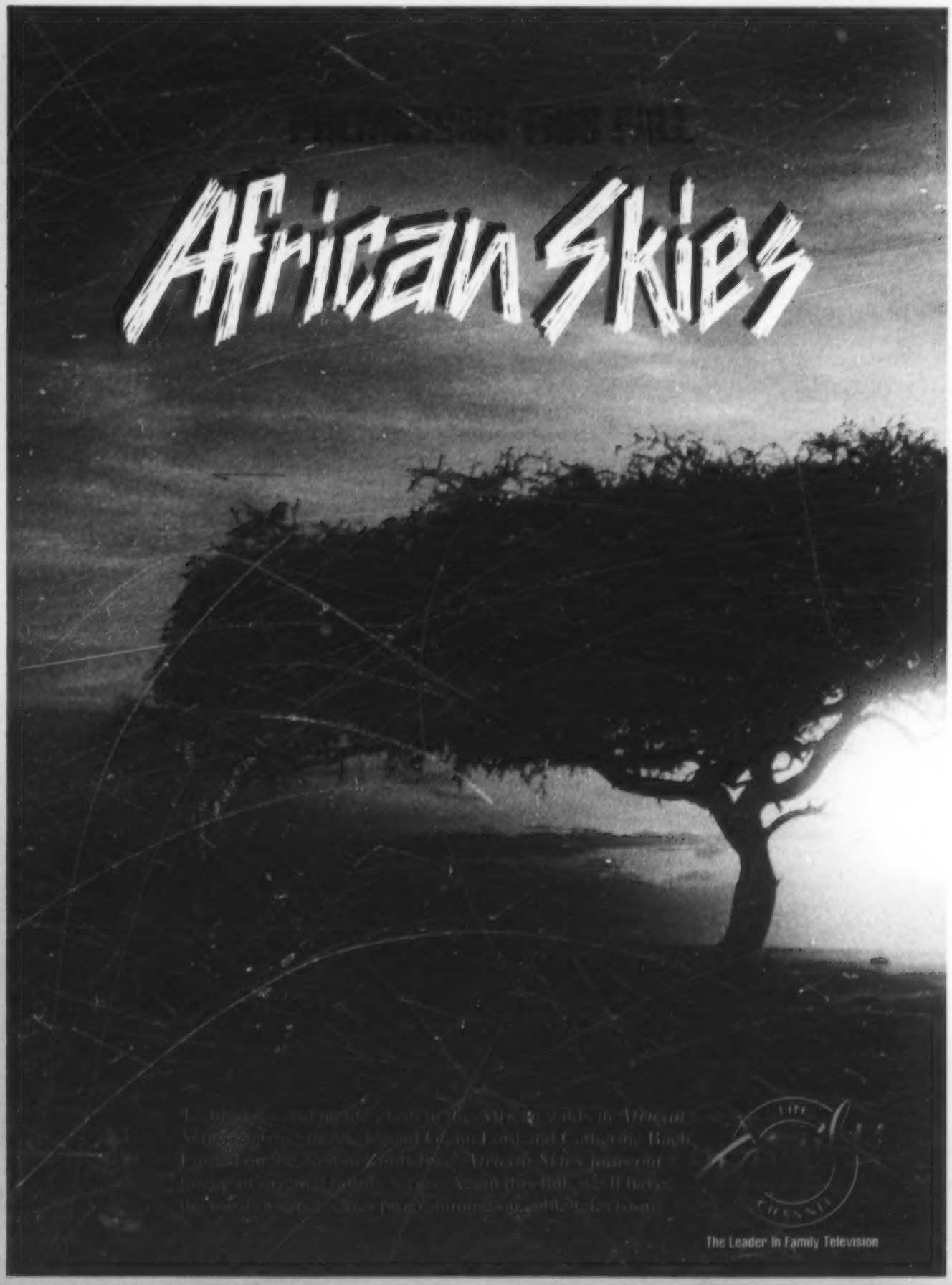
Another 26% pay sliding-scale or reduced commissions of less than 15%, while 32% now pay a labor-based fee, up from 24% in 1989. Smaller accounts tended to pay fees more often, while larger ones rely on commission systems.

Results from 136 respondents to the mail questionnaire revealed 59% were concerned about agency compensation, up from 51% in 1989.

Advertisers continue to believe agency accounting systems are too complex and agency managements inattentive to cost controls. Last year, many expressed new fears about agency profit declines and the impact of diminished revenues on service to their accounts.

But the reasons may be evident in other findings: Thirty-nine percent of the advertisers said they changed their compensation systems in the past three years, and of those, 42% lowered payments to agencies.

However, 13% of advertisers surveyed said their agency compensation agreements include incentive payments tied to performance, while just 1.2% said so in 1989. □



Sensor is going electric

By Pat Sloan

Braun Inc. next month will introduce in the U.S. a men's electric shaver based on a concept similar to Gillette Co.'s Sensor, a wet shave razor.

The Flex Control shaver is already available in Europe and Japan, and will be introduced in the U.S. for Father's Day. The shaver will be backed by $17.5 million in advertising from Lowe & Partners, New York.

"The concept is the same as Sensor in that the shaver adjusts to the contours of a man's face," said Jorgen Wedel, president of Braun, a Gillette subsidiary.

Braun said Flex Control is the world's first pivoting head and twin foil rechargeable electric shaver, and that the product has sold 2.5 million units in Europe since its introduction in February 1990.

There will be three Flex Control models sold in the U.S., priced from $99 to $169.

In Germany, where Braun AG is based, the shaver holds the lead position with a 70% share of the high-end segment (shavers priced above $125). In Japan, Flex Control accounts for 11% of the high-end segment.

In the U.S., Braun is second in the $373 million electric shaver market with a 19% share, industry executives say. North American Philips Corp.'s Norelco is the leader with 50%, followed by Remington Products' Remington with 17%.

Flex Control's $17.5 million budget is a substantial investment for Braun, which spent $10.4 million on the category last year, LNA/Arbitron. Multi-Media Service reported.

Print ads support for Father's Day, with 30-second network TV and cable spots scheduled to follow for the Christmas season. □

LETTERS

Pol ad watch not timid

We are delighted that former Sen. Paul Tsongas favors creation of a watchdog group to rate political advertising for accuracy (AA, April 13) . . . We note with some amusement that he believes the League of Women Voters might be "too timid" to lead the challenge to clean up political ads.

We have just completed, with the American Association of Advertising Agencies and the Markle Foundation, Project Run Fair in the New Hampshire and Wisconsin primaries. Based on our conviction that voters deserve fair and serious campaign advertising, these test programs urged voters to call 1-900-RUN-FAIR to give their opinions on political ads. Citizens interviewed in focus groups were enthusiastic about the project. They felt it gave them a voice, a chance to make a difference.

We would like to clarify one misconception voiced by Sen. Tsongas and others. We do not oppose "negative" advertising per se. We aim our arrows at misleading, untruthful and unfair advertising. Positive advertising can be as misleading as negative advertising.

The need for Project Run Fair to continue into the general election is undisputed, except by some of those who create political advertising. We are currently exploring our options and costs and have every expectation that we will proceed with campaign monitoring in the fall. There is nothing timid about it.

Susan S. Lederman
Chair, League of Women Voters
Education Fund
Washington

Pro-life ad defended

Bob Garfield has decided use of all the wiles of the advertising art is okay, so long as the product is some petty gimcrack like household glue. But when it comes to life or death, as in the pro-life ad he critiques (AA, April 20), he cries foul.

"How dare they use soft focus, mood, slow motion and powerful dialogue to illuminate an important issue and save lives" is the essence of his objection.

Garfield is further outraged that the spot would imply greater courage on the part of mothers who carry a child to delivery than those who choose abortion. How unfair of the spot to speak the self-evident truth on such an important issue!

I know it comes as a shock, Bob, but there are actually smart, persuasive people out there who are backing their moral judgments with moral actions. I didn't work on the spot—indeed I don't even know who did—but I admire both its superb technique and its admirable goals.

Gary Stock
Croton Falls, N.Y.

As far as I know, not only have the Arthur De Moss people not broken any advertising rules, but they have pesuasively communicated a defensible position. And they have done so, as Garfield admits, without the shock visuals and the "baby killer" inflammatory wording. I always thought adoption was a positive middle ground.

I suspect Garfield's opposition comes not from any structural advertising flaws but from his dismay that a position different from his own was conveyed so convincingly.

Vic Svec
Belleville, Ill.

Welcome, 'AA International'

Whether you believed Professor Levitt's 1983 "Global" predictions or not, the truth is that our business today is indeed global and getting more so each day.

Our clients are moving rapidly beyond their native borders to find new customers. The media and the agencies are there to help, and now *Advertising Age International* (AA, April 13) is there to keep us all up to date on what is happening in this exciting, expanding marketplace.

Bravo!

Gary Burandt
President-ceo
Dentsu, Young & Rubicam Partnership
New York

Congratulations on a very successful premiere issue of *Ad Age International*.

It looks great and will certainly become must reading for all of us in International.

We look forward to lots more issues.

Jane Personeni
International Group
Reader's Digest Association
Pleasantville, N.Y.

Awareness not enough

It appears that the editing gremlins got to your story on cigarette advertising (AA, April 27) before it ran.

You reported that there was high recognition of Camel and Marlboro among pre-teens but failed to include a key point that puts the issue into perspective. Your survey also showed that 90% of the pre-teens felt that "cigarettes are gross."

The point is important because it clearly illustrates that while there may be recognition of advertising for cigarettes, there is also a corresponding dislike for the product category. In other words, recognition does not equate to usage or positive attitude change.

It was also interesting that your survey mirrors the findings of the U.S. Department of Health & Human Services by showing that Camel is not the brand of preference among minors.

In fact, your survey showed it to be a distant fifth choice among underage smokers, again confirming that young people's awareness of cigarette advertising does not mean they will purchase the product.

Thomas C. Griscom
Exec VP-external relations
R.J. Reynolds Tobacco Co.
Winston-Salem, N.C.

Choice isn't censorship

Regarding the "Advertiser 'censorship' must be outlawed" article (Forum, AA, April 13): The issue is not censorship, but free enterprise married to free speech. And it is up to publishers and broadcasters to uphold integrity and values in the midst of free enterprise. For that matter, the media already presents "censored" ideas to the public when they select an angle to a given story.

But regarding advertiser pressure, I have yet to see an advertiser pointing a gun at a publisher *demanding* their way, or else. The media always have a choice—and that's the crux of the matter.

The advertiser has just as many free speech rights as the media. There's nothing wrong with them making advertising buys with programming that acurately conveys their image—or avoiding a buy because the programming is offensive to their customers.

The real issue is integrity and values, from the top down, within media organizations. Until we have that, we'll never solve the problems at hand.

Larry Bonjour
Fort Collins, Colo.

FREEZE FRAME

"We'll have to wait a few minutes until the commercials are done."

Mike's little calls

Re this AT&T ad: What's AT&T's formula for measuring the size of a phone call?

Of course Mike Macina qualified for the company's new savings plan with as *few* as three overseas calls a month.

Mark Rudman
VP, Launey, Hachmann & Harris
New York

Corrections & clarifications

■ A story showing the difference between Arbitron Co.'s MediaWatch data and those of the new Nielsen Monitor-Plus service used the wrong Arbitron data (AA, May 4, P. 3). The data comparing prime-time ad spending by advertisers showed wide discrepancies between the two. Arbitron executives said the differences resulted from a comparison of Monitor-Plus' prime-time spending data to an irrelevant MediaWatch report, "Network Television: Estimated Television Network Revenues by Dayparts Sales Force." Arbitron executives said Monitor-Plus' prime-time spending estimates should have been compared with a different MediaWatch report: "Network Television," also known as "Monthly/Quarterly Report." Arbitron executives acknowledged that some confusion exists in the definitions of certain dayparts included in both MediaWatch reports and that the company is trying to clarify the problem. Below is the chart using the correct figures:

Top 10 prime-time advertisers

How two monitoring services rank advertiser spending in 1991 on the Big 3 TV networks.

NIELSEN'S MONITOR-PLUS		ARBITRON'S MEDIAWATCH	
General Motors	$339.4	General Motors	$339.9
Procter & Gamble	$224.5	Philip Morris	$212.7
Philip Morris	$213.0	Procter & Gamble	$212.1
Johnson & Johnson	$171.1	PepsiCo	$169.0
PepsiCo	$168.4	Johnson & Johnson	$164.7
Kellogg	$156.0	Kellogg	$156.0
Ford	$154.2	Ford	$154.0
Toyota	$130.5	Toyota	$130.4
McDonald's	$124.8	McDonald's	$124.8
Chrysler	$115.6	Chrysler	$115.2

Figures are in millions. Source: Nielsen Monitor-Plus Prime Time Network Expenditure Analysis, Arbitron's MediaWatch's Network Television Report

New Dimensions In Power Selling

Dimensional, interactive paperboard products from American Slide-Chart will attract attention, deliver inquiries and increase your sales.

FREE DESIGN SERVICE.
1. Call us or fax this ad. We will help you determine what information is needed to create your free design.
2. A full color presentation will be developed showing your data on an interactive Slide-Chart or Pop-Up...
No cost or obligation!

AMERICAN Slide-Chart
708-665-3333
800-323-4433 (Outside IL)
Fax 708-665-3491

Name _____ Title _____
Company _____
Address _____
City, State, Zip _____
Fax _____ Telephone _____

AMERICAN Slide-Chart Corporation, P.O. Box 111, Wheaton IL 60189

Dan Rather
NEW REPUBLIC
Subscriber #6,543

A JOINT REPORT BY ADVERTISING AGE AND ELECTRONIC MEDIA

TELEVISION BUYING & PLANNING

May 11, 1992

Exclusive survey: Marketers, agencies return to TV

A JOINT REPORT BY ADVERTISING AGE AND ELECTRONIC MEDIA

TELEVISION BUYING & PLANNING

About this report

In our second annual TV Buying & Planning section, we at *Advertising Age* and *Electronic Media* hope to do what we did in our first report: Bring order to the chaos of the TV marketplace.

One might think that the disorder in today's TV ad market should work itself out. Ostensibly, an improving economy should help spur increases in overall TV ad expenditures—which fell 3.9% last year to $21.3 billion, according to LNA/-Arbitron Multi-Media Service.

Despite the slow warming of the market, there's still plenty of chaos. To wit:

- The current slump in the TV market apparently will be over by the end of the year, but it will still be a buyer's market.
- TV ad spending should be up in the near future, but buyers are becoming less interested in the upfront buying season.
- Despite the meteoric growth of cable TV, network TV just might benefit the most from bigger ad budgets.

To find out what's going on in the market, we commissioned Beta Research Corp., a marketing research company in Syosset, N.Y., to survey 100 agency media buyers and 100 executives at high-profile TV advertisers. These findings serve as the foundation for this special section's stories.

In this report, we look at the big TV picture and tell why overall ad revenues should rise. We also check out two current hot buttons in the market: the viability of the upfront buying season and the complaints about clutter in TV shows.

We also investigate the TV industry on a smaller scale by checking the fortunes of each of the four TV segments—network, cable, spot and syndication.

In addition, we look at the quality of broadcast and cable shows, and what agency media buyers think can be done to improve it. Plus we go to top marketing executives and find out what shows they like to watch and why.

There are plenty of confusing issues in the TV marketplace today. We hope this report helps make some sense out of what's happening.

Inside

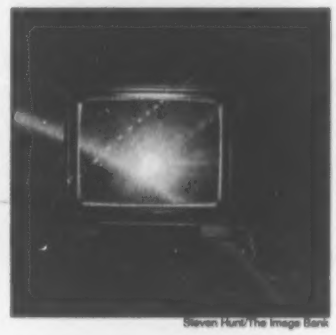
- **Overall TV spending** appears to be on the rise, as marketers find the funds for ad placements **S-3**
- **Upfront season** is about here, but will buyers show up? Maybe not, as advertisers look for bargains **S-4**
- **Clutter** becomes a key issue in the upcoming TV season, as buyers threaten to avoid cluttered shows **S-6**
- **Network TV** should see an upbeat new season, according to our survey. But not everyone agrees **S-14**
- **Cable's** growth should continue only if sellers don't ask for big price hikes. **S-18**
- **Network show quality** is so-so, buyers say. Here's how they would change things **S-22**
- **Cable show quality** is pretty good, as buyers acknowledge improvements in original programming. **S-24**
- **Spot TV** sellers are caught in limbo, as advertisers wait until the last minute before buying ad time **S-26**
- **Syndicated TV's** prospects are lukewarm, at best, as buyers ask when sellers will promote the medium **S-28**
- **"I like to watch . . ."** Advertiser execs reveal their TV show preferences **S-30**

Edited by Junu Bryan Kim and designed by Geoffrey Shives. Chart work by Kimberly Mart and John Smither, under the direction of Susan Greening. Cover artwork by Steven Hunt/The Image Bank.

Majority convinced: ad slide is over—and TV dollars will show it

Marketers, agencies decidedly upbeat about an increase in their budgets

By Joseph M. Winski



Steven Hunt/The Image Bank

Perhaps driven more by hope than hard numbers, many advertisers and agencies anticipate a resurgence in television ad spending.

About 42.5% of the respondents in an exclusive survey commissioned by *Advertising Age* and *Electronic Media* say their TV spending will increase this year from last year—more than twice the 20% who say they have smaller TV budgets.

That's a much more optimistic assessment than found in a similar *Ad Age/EM* survey a year ago, when respondents split about evenly: 34% said they would hike budgets last year and 32% said they would cut them.

Ad spending in network, spot, syndication and cable fell 3.9% last year, to $21.3 billion, from 1990, according to LNA/Arbitron Multi-Media Service.

Another 36% of this year's respondents say their TV spending will be about the same as last year's. That means 78.5% of those surveyed anticipate spending at least as great as in 1991.

If the respondents' forecasts are correct, the current slump in overall ad spending may be all but over by the end of the fourth quarter, given the relative significance of TV advertising.

Advertisers and agencies surveyed said they will pour 65% of their ad dollars into TV this year. In comparison, TV spending accounted for 56% of all measured ad spending last year, according to LNA/Arbitron.

This year's survey, conducted by Beta Research Corp., questioned 100 agency media buyers and 100 advertisers about TV spending plans for 1992. The survey was conducted in January.

The indications of increased TV spending "are consistent with our anecdotal indications from advertisers, which suggest that things are strengthening a bit," says Richard Hamilton, senior VP-media and administration for D'Arcy Masius Benton & Bowles.

"Clients are starting to think optimistically enough" to consider more TV, agrees Fern Kaplan, senior VP-director of national broadcasting at Hill, Holliday, Connors, Cosmopulos, Boston.

"I also think they're finding that the marketplace is getting tight [in] network and cable," she adds. "Although I don't like to hear that because prices may go up, it's also a good sign."

Of survey respondents who say their TV budgets will be up, 41% project an increase of more than 10%, while 56% say their spending will rise by 10% or less. The remainder declined to estimate.

The average projected rise is an impressive 13.7%. The mean decline for the 20% of respondents projecting smaller budgets is 11.8%.

Last year's survey found a definite cooling of interest in network TV, but agencies and advertisers now appear to be warming to the webs.

Three out of 10 say network TV will get the biggest percentage boost in their TV spending, compared with 25% who say spot TV and 20% who say cable. Only 3% plan to put most of their increase into syndicated TV.

A third of the respondents say network TV also will get the biggest dollar increase, compared with 25% who say spot, 17% who say cable and 2.5% who say syndicated.

If those plans pan out, that will be good news for the networks, where ad spending fell 6.6% last year to $9.46 billion, the lowest since 1987, according to LNA/Arbitron.

That's a big if, however, because the respondents' spending expectations probably are based largely on an anticipated upturn in the economy, says Fred Wray,

(Continued on Page S-4)

Good reception from advertisers

Is your TV ad budget for this year going to be bigger or smaller than your 1991 budget?

On average, budgets that are decreasing will be reduced by 9.7% from 1991. Budgets that are increasing will jump 9.8%.

Source: Beta Research Corp. Advertising Age/Business Week Graphic: John Smither

Upfront is shaky as advertisers find scatter deals, eye calendar-year buys

Agency execs, marketers see less activity this year

By Joe Mandese

"What upfront?" That's how Steve Grubbs, senior VP-director of national broadcast at BBDO Worldwide, New York, recently assessed the upfront buying period for the 1992-93 network TV season.

Mr. Grubbs' quip reflects the ongoing change in how agency buyers and their clients see the spring/summer blooming of advanced sales.

Traditionally, the Big 3 networks and Fox Broadcasting Co. sell the majority of their time for the next TV season during that frantic period of May, June and July.

But with marketers looking for TV schedules that fit their own business and/or planning calendars, and with agency buyers finding scatter-time bargains in today's deflated TV marketplace, the importance of the so-called upfront seems to be diminishing.

According to an exclusive survey of agency media buyers and marketer executives done by Beta Research Corp. for *Advertising Age* and *Electronic Media*, the forthcoming upfront season will be less active than last year's.

The survey found 35% of the respondents think the 1992 upfront will be less active than the 1991 season, and 38% think the activity level will be the same. On the other hand, only 25% say the period will be more active.

These results appear to echo the recent roar from network TV users: Why buy upfront?

The sales period has been important because it allowed buyers to secure spots in desired shows—albeit for a premium price—and to get an audience guarantee. But a growing number of executives now have a different opinion on upfront's importance.

The upfront season "is an incredibly goofy way to do business," James Van Cleave, division director of media and programming of Procter & Gamble Co., told a forum held last February by the Association of National Advertisers. Mr. Van Cleave

(Continued on Page S-6)

Stepping back from upfront

Compared with last year, how active do you expect the 1992 upfront TV buying season to be?

Source: Beta Research Corp. Advertising Age/Electronic Mass Graphic: John Smither

Two different stories for cable, syndication

By Junu Bryan Kim

There's lots of interest in the cable upfront—and lots of indifference to the syndication upfront.

Here are some other upfront-related results from the *Ad Age/EM* survey conducted by Beta Research Corp.:

Cable

Evidently, the upfront cable market is still growing. More respondents say they'll buy upfront cable than upfront network, 69.5% to 69%.

One reason for the interest in upfront cable is to secure frequency on desired networks, buyers say.

"I think you will continue to see a lot of upfront spending in cable where advertisers get a lot more frequency for the money," says Bill Croasdale, president-national broadcast at Los Angeles-based media buying

(Continued on Page S-6)

The ad slide has stopped

(Continued from Page S-3)

senior VP-media director, Foote, Cone & Belding, Chicago.

"Many people have read the press and are expecting a recovery," he says. "And what they're saying is, 'Because I expect this recovery to hit sometime in the second half of '92, we'll probably see budgets start to increase at that time.' And I'm not sure I subscribe to that."

He also notes that respondents are measuring their expectations against a weak 1991. In addition, this year's survey is bound to be more optimistic than last year's, which was conducted during the Persian Gulf War.

Mr. Wray says, in fact, that TV expenditures for FCB's Chicago clients this year will be "relatively close to where they were last year."

Despite the "anecdotal" evidence he's seen of a TV spending jump, D'Arcy's Mr. Hamilton also sounds a cautionary note. "Indications that there may be some strengthening [in ad budgets] don't suggest that the strengthening is inevitable."

Such developments as continued ad cutbacks by heavy TV user General Motors Corp.; reluctance by Procter & Gamble Co. and some other advertisers to participate in the annual upfront frenzy of TV buying; concerns about TV clutter; and the continued flow of dollars into promotions also cast some doubts.

> Marketers "need to make sure they're not being outspent by competitors."

Still, there are signs of hope, including reported plans at Ford Motor Co., MCI Communications Corp. and Anheuser-Busch Cos., among others, for sizable ad spending increases for the year, much of it presumably in TV.

A number of major advertisers, such as IBM Corp., recently reported surprisingly good quarterly profits. This, too, augurs well for overall ad spending because ad outlays often are set at a percentage of profits.

Another good harbinger for the TV industry is that the networks' audience erosion also appears to have stabilized, thanks in part to CBS' strong performance during the Winter Olympics.

The Big 3's combined share of the viewing audience crept up from 62 for the 1990-91 season to 63 for the just-concluded term. Although the one-point gain may not seem substantial, it's the first increase in the Big 3's cumulative share since 1976-77.

In addition, viewership of cable and independent broadcast TV continues to hold steady. Some properties, such as cable's Nickelodeon, have turned in respectable increases.

Armed with these upbeat audience figures, TV sellers recently have reported brisk sales of prime-time inventory, following stronger-than-expected children's and daytime markets.

Bill McGowan, senior VP-ad sales for Discovery Networks, reported a vigorous second quarter in the cable TV scatter market and expects "higher demand in the third and fourth quarters."

According to Hill Holliday's Ms. Kaplan, such activity gets the competitive juices flowing, which will be a critical element in any TV spending rebound, she says.

Marketers "need to make sure they're not being outspent by their competitors and lose market share," she says. "I think that can be a huge factor."

A number of Hill Holliday clients have encountered aggressive TV spending by competitors and "realize they have to keep up the pace" with TV spending of their own, Ms. Kaplan says.

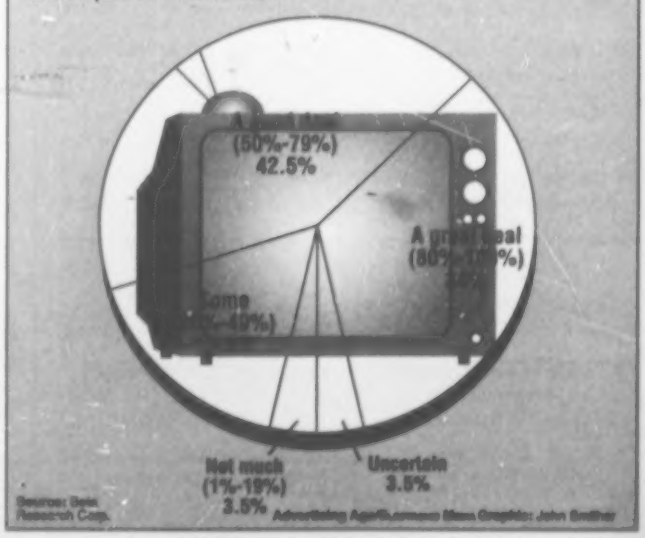
Software maker Microsoft Corp., for example, a competitor of Hill Holliday client Lotus Development Corp., seems to be "spending like crazy" on TV. Microsoft is in the middle of its first-ever TV campaign, an $8 million, 11-week effort.

Lotus so far is confining its advertising to print, but its interest in TV "has certainly been piqued," Ms. Kaplan says.

Citing the recent airfare campaigns by American Airlines and its competitors, the admittedly biased Ms. Kaplan makes a further case for TV: "It still gets the message out there faster, with higher reach than anything else, and with more excitement." □

The right channel

What percentage of your total 1992 ad budget will be placed in television?



Source: Beta Research Corp. Advertising Age/Business Mass Graphic: John Smither

NBC's "Seinfeld" drew both chuckles and clutter, toting the non-programming equivalent of 16 minutes, 24 seconds per hour.

Advertisers talk tough on clutter, vow to hold back dollars from nets

'Seinfeld,' 'Drexell's Class' singled out; shops like JWT threaten to penalize shows

By Joe Mandese

While supply, demand and price are always the predominant issues of any network TV upfront buying season, virtually every upfront has at least one side-but-salient issue.

This year, it's clutter.

During the past six months, major agencies and advertisers have declared war on network clutter, the non-programming time that includes commercials, network promos, program credits and station breaks.

Agency buyers and their clients seem ready to use clutter as a bargaining chip during negotiations for advertising time.

According to an exclusive survey of agency media buyers and marketer executives conducted by Beta Research Corp. for *Advertising Age* and *Electronic Media*, 86.5% of the respondents expect TV networks to adhere to some sort of clutter standard.

Also, the survey found a sizable minority of the respondents—43.5%—would omit from their buying plans TV networks that don't meet clutter standards.

Major agencies, using data from an annual study compiled by American Association of Advertising Agencies and Association of National Advertisers, have threatened to shift network TV budgets from highly cluttered shows to less cluttered ones. The latest ANA/Four A's clutter study found that the Big 3's most cluttered show was NBC's "Seinfeld," with the equivalent of 16 minutes, 24 seconds per hour. Fox Broadcasting Co.'s "Drexell's Class" topped all network shows with 17 minutes, 8 seconds per hour.

Some buyers have even threatened to factor clutter levels into their price negotiations with the Big 3 TV networks, Fox Broadcasting Co., syndication, cable TV and other national programming outlets.

Several shops, including Bozell and J. Walter Thompson USA, have devised systems to estimate the effect clutter has on TV viewing. They also say they plan to use their analyses to adjust their cost-per-thousand viewers estimates for the programs they'll buy in this upfront marketplace.

"We will penalize network programs that go beyond [an industry average] of non-programming clut-

(Continued on Page S-10)

Upfront marketplace shaky

(Continued from Page S-4)

said P&G would skip the traditional marketplace and make its network TV deals at its own pace.

Other advertisers picked up his call to abandon the traditional upfront.

In a survey of 102 major national advertisers conducted earlier this year by DeWitt Media, 50 respondents said they wanted to see the upfront buying season moved from its current timeframe. All but one of these 50 preferred shifting their upfront network buying to the fall for calendar-year deals that would begin in January.

The main reason: the timing would better coincide with their financial and media planning objectives, says Gene DeWitt, president of DeWitt Media. Marketers want to buy in the fall, as they figure their marketing budgets for the next calendar year—regardless of when the networks say their seasons start.

Although some big network TV advertisers may be planning on making their buys after the traditional upfront period, some will move before then—even before the traditional upfront. And that includes P&G.

P&G has concluded its 1992-93 upfront buys, which were negotiated as part of multiyear deals beginning in the 1991-92 season.

In addition, several major agencies, including Leo Burnett USA, were actively pursuing early "pre-upfront" deals with the Big 3 at press time.

Last year, these pre-upfront deals accounted for a significant portion—some say the majority—of the $3.7 billion in network sales in the 1991-92 upfront period.

Not only might buyers and their clients bypass the upfront season because it doesn't fit their planning calendars, but they're forgoing upfront in favor of quarterly—or short-term—buying in the scatter market.

The soft TV sales market of the last two years has created bargains in scatter. It's also made agency executives and their clients reconsider paying premium prices during upfront for spots they could have bought for less as the actual block of time nears.

Furthermore, the overall market for TV time has turned so soft that the networks have given buyers audience guarantees—a perk traditionally saved for upfront—for scatter buys.

According to the *Ad Age/EM* survey, 49.5% of the respondents say the low rates reported in the scatter market have caused them to rethink their upfront commitments.

Upfront scatters

Are low rates in the scatter market causing you to reconsider whether you should make upfront commitments?

Yes	49.5%
No	46.5%
Uncertain	4%

Source: Beta Research Corp. Advertising Age/Business Week Graphics: John Smither

However, 46.5% said the soft scatter market hasn't affected their view on the upfront season.

But as buyers refine their plans for the upfront season, so, too, have the networks.

Normally, the networks sell 75% to 80% of their inventory during the upfront market and hold the remainder for later scatter sales during the season.

Last upfront, ABC held back more time for its scatter sales. This plan paid off in two of the three quarters of the just-concluded season.

The current quarter "was our biggest quarter ever" in terms of revenue generated, says Marvin Goldsmith, president-sales and marketing of ABC.

A reduction in upfront inventory could, if it materializes, also help prop up prices as buyers chase fewer spots. But buyers and sellers differ on what prices to expect.

Although sellers expect to get single-digit percentage increases in their cost-per-thousand viewers, buyers expect efficiencies to hold steady. As of March, consultancy Ephron, Papazian, Ephron's NetCost service was estimating that prime-time costs per thousand viewers in the 1992-93 upfront would drop about 4% to an average household CPM of $8.06.

The service also said NBC, which had the highest rates last year, would have to bring its costs in line with the other networks, because of its declining ratings and demographics.

Of those *Ad Age/EM* respondents who expect to buy network time during the upfront season, 41.3% expected CPMs and unit costs to decrease. Only 29.7% expected an increase, and 25.4% anticipated no change.

The average anticipated decrease in CPMs and costs was 5.3%; the average anticipated increase was 4.5%.

Most agency buyers say the networks will be hard-pressed to manage an increase in their ad rates during the '92-93 upfront.

"The key question is how long the scatter market will continue to be advantageous," says Marc Goldstein, senior VP-director of national broadcast of Lintas:USA, New York. "And advantageous is a relative term. It doesn't necessarily have to be below upfront prices.

"If I can buy at upfront rates and get my selection of programming and probably [audience] guarantees, then I am benefiting by having my client's money 100% flexible in the scatter market," Mr. Goldstein adds.

"Upfront is a real guessing game now," says Pierson Mapes, president of NBC. □

Diane Mermigas contributed to this story.

Different

(Continued from Page S-4)

service Western International Media, Los Angeles.

Also, those making upfront cable buys will purchase more time. Of those participating in the upfront cable market, 31.7% plan to spend more this year than they did last year, and only 7.9% say they'll cut their cable upfront expenditures.

But look for cable sales staffs to want more money. Among those who will buy upfront cable time, 43.2% expect the cost per thousand viewers and unit prices to increase over last year, while only 17.3% foresee a decrease.

Syndication

At best, buyers appear to be mildly enthused about the syndication upfront market. Only 53% of all survey respondents will make upfront syndication buys, and the medium will get only an average of 11.9% of upfront budgets.

Still, there's some encouraging news. Although 21.7% of those participating in the market will increase spending, a mere 10.4% say they'll cut their upfront syndication spending. □

Diane Mermigas contributed to this story.

Advertisers talk tough

(Continued from Page S-6)

ter and we will reward the shows that fall below it," says Richard Kostyra, exec VP-U.S. director of media services of New York-based JWT, whose clients using TV include Eastman Kodak Co., Nestle Co., Lever Bros. and Warner-Lambert Co.

While Mr. Kostyra declined to disclose JWT's formula for evaluating the impact of clutter on TV viewing, Bozell has revealed the basics of a model it will use during its negotiations.

Using new data from the Four A's/ANA study, which details the clutter levels of every network TV show, Bozell's model shows how higher clutter levels in those shows increase "viewer volatility," or channel switching.

Among Bozell's findings: A 10% increase in network clutter levels increases channel switching by 7%.

John McSherry, Bozell senior VP-director of corporate media resources, says the Big 3 increased clutter levels about 10% between November '90 and November '91.

Michael Drexler, exec VP-media director at Bozell, says clutter negotiations are intended to help check the unabated rise of network clutter. "If we don't penalize them for adding clutter, they will have no reason to stop."

By hitting the networks in their pocketbooks, Mr. Drexler believes they will have a financial incentive to curtail their clutter levels.

These threats may already be working. Each major network now says it will maintain its current clutter level and work to reduce it.

Although CBS and NBC have yet to reduce their levels, both networks say they're working with studios to reduce the amount of time in their program credits.

ABC, currently the least cluttered of all networks, has already reduced its prime-time clutter levels by eliminating one 15-second commercial per night. Although this represents only 1.2% of ABC's prime-time inventory, the move is seen as a first step in addressing concerns about clutter.

In response to buyers who say they'll pay a premium to be in programs with less clutter, ABC executives have said this upfront they would like to reduce the clutter levels of several shows.

Still, buyers don't want the clutter problem to be corrected at the expense of programming quality.

Only 33% in the *Ad Age/EM* survey say they would prefer a less cluttered TV environment even if it was in programming they found less desirable. Almost twice as many—62%—would avoid these shows.

If buyers do gravitate to less cluttered outlets, that could actually benefit the Big 3. Despite a significant increase in clutter in recent years, the Big 3 run the fewest commercials in the entire TV spectrum, according to an analysis of Arbitron Co.'s MediaWatch data done by the Network Television Association, a Big 3-funded group.

The Big 3 averaged only 9:12 minutes of commercials per prime-time hour, according to that analysis of a week's worth of MediaWatch data last November. Fox averaged 11:04, cable networks 11:12 and syndicated shows 13:21.

However, when other non-programming time is factored in, the Big 3, Fox, cable and syndication exceed the clutter level deemed acceptable by most respondents of the *Ad Age/EM* survey.

Some 44% of respondents believe the acceptable limit of non-programming time is 10 minutes per hour or less. Another 27.5% say 11 minutes is acceptable, while another 21% say the limit should be slightly less than 11 minutes.

According to the ANA/Four A's study, ABC averaged 13:04 of non-programming time per prime-time hour; CBS, 13:37; NBC, 13:51; and Fox, 14:54. In addition, the average non-programming minutes for cable came to 14:07, based on five networks, while syndication averaged 17 minutes, based on 20 shows. □

The clutter limit

Do you exclude from your buying plans TV outlets that don't adhere to certain clutter limits?

Yes	43.5%
No	55%
Uncertain	1.5%

Source: Bera Research Corp. Advertising Age/ Business Week Graphic: Kimberly Mart

Ed Graf & Sons, Waltham, MA

Everybody's all-Americans.

Our viewers are among the most avid sports fans.

They feel that sports are a great way to teach their kids values. Like fair play, loyalty and teamwork.

They like TNN: The Nashville Network, because it reinforces those same values.

You can't beat the people who watch us. They're the most loyal you'll ever find.

And you'll find them all together. Only on TNN: The Nashville Network.

TNN
THE NASHVILLE NETWORK.
The Heart of Country

© 1991 Group W Satellite Communications. THE NASHVILLE NETWORK, TNN and the TNN logo are registered service marks of Opryland USA Inc.

Network bashing no longer in vogue; positives abound

There's pent-up advertiser interest, Olympics, elections, but slow economic recovery could curtail an upswing

By Diane Mermigas

Despite the recession and competition from other media, network TV is holding its own —for now.

According to an exclusive survey commissioned by *Advertising Age* and *Electronic Media*, agency buyers and advertiser executives see good short-term fortunes for network TV.

The survey, conducted by Beta Research Corp., produced the following findings about network TV:

- Respondents named network most often as the TV segment that would get the biggest percentage increase in 1992 TV budgets. About 29.5% of respondents say network TV will get the biggest percentage increase, which placed it ahead of spot TV (25.5%), cable (20.5%) and syndication (3%).
- Respondents also named network most often as the TV segment getting the biggest dollar increase in their TV budgets. About one of every-three respondents, 33.5%, says network will get the biggest dollar increase.
- Importantly, in this age of increased value awareness, the survey respondents named network TV most often as giving the best value. A total of 38% say network gives the best return on the TV ad dollar. Cable was named next most often, at 37.5%.

Network TV ad spending this year will be up 5%, and ad revenues at Fox Broadcasting Co. will jump 27% over 1991, according to Bruce Bishop Cheen, an analyst for media consultancy Paul Kagan & Associates.

Last year, network TV ad revenues fell 6.7% to $9.5 billion, according to LNA/-Arbitron Multi-Media Service.

Most industry experts say any increase in ad revenues at the Big 3 networks this year will come mainly from the Summer Olympics, this fall's elections and pent-up spending by advertisers.

Some observers would say demand for ad time is already increasing. This current quarter is the first time in more than a year that the marketplace has given network TV executives signs of optimism.

Observers have reported brisk sales of second-quarter scatter time, at costs per thousand viewers comparable to the last upfront season.

"I think things have stabilized for the networks," says Pierson Mapes, president of NBC Television Network.

To secure future ad revenues, the networks have designed program blocks for specific audience demographics. CBS' Monday night lineup has a strong following from women, while Fox has established itself as the network for young adult and teen viewers.

"I still think the beauty of network TV is that we can deliver a target audience in greater numbers than any cable programming or network package," says George Schweitzer, senior VP-marketing and communications, CBS Broadcast Group.

To accentuate the value of network TV, the Big 3 have increasingly resorted to special pricing and packaging to stay competitive.

CBS has led the Big 3 in developing marketing bonuses, such as touring regional road shows on specific programming, plus special pitches to clients.

The networks have made "significant changes" in being more flexible and sensible in their design of special advertiser packages, says Louis Schultz, exec VP-director of media services, Lintas:New York.

"This is a very transitional year in network television. There is no clear ad leader."

Despite these upbeat indications, network executives admit there's lots of uncertainty in the upcoming TV sales market.

"This is a very transitional year in network television. There is no clear ad leader," Mr. Mapes says, adding that "it will be critical" for the Big 3 to keep a cumulative audience share of at least the low 60s.

In fact, some industry observers question how strongly the networks will fare in the new season.

"Overall, the advertising market still is not looking too well, which is going to require more creative approaches by distributors," says Christopher Dixon, media analyst for PaineWebber.

Despite the recent flashes of optimism, some insiders believe it's too early to say an economic recovery—and the concurrent increase in ad spending—is under way.

"I don't see it in the marketplace. There have been no recent negative signs but, by the same token, there have been no recent positive signs either," says Richard Kostyra, exec VP-director of media services, J. Walter Thompson USA, New York.

"I think there continues to be a tremendous amount of concern and conservative planning on the part of advertisers," he adds.

In addition, many experts say the networks face improved competition from other media.

"The networks still are being nibbled to death," Mr. Dixon says, referring to all-barter syndication offerings by Time Warner, for its "Family Matters" reruns, and Paramount Domestic Television's forthcoming prime-time programming block.

Bill Croasdale, president-national broadcast at the Los Angeles-based media buyer Western International Media, says that while network TV still commands around 40% of his clients' total ad budgets, cable's share has jumped to about 25%.

Observers also see place-based media as becoming a viable media alternative to network TV.

Mr. Kostyra predicts increasing amounts of ad money will be shifted into TV "networks" in grocery stores, airports and college unions.

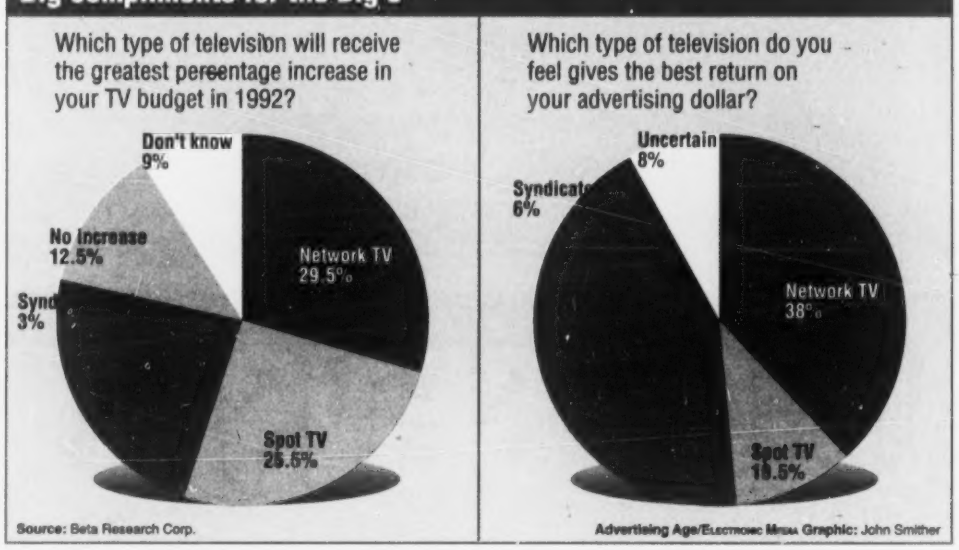
"The biggest factors for advertisers today are variety and form; tailoring a package just right for them; and audience delivery," Mr. Kostyra says.

Ultimately, many people say the networks' future hope lies in their product: TV shows.

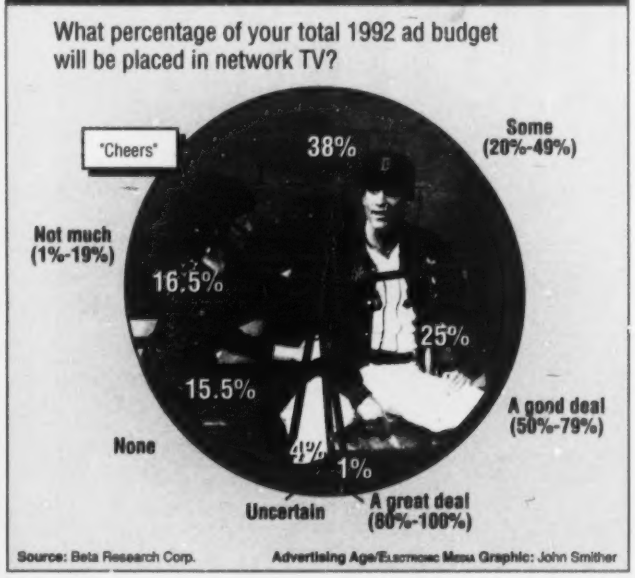
The key for future success "is to develop programs that attract advertisers and viewers back to their airwaves," Mr. Croasdale says.

Says NBC's Mr. Mapes, "So long as we can turn out quality programming on a regular basis, the networks still are the only ones who can offer advertisers frequency and reach. Cable TV can only offer frequency right now." □

Big compliments for the Big 3


Which type of television will receive the greatest percentage increase in your TV budget in 1992?
Don't know 9%
No increase 12.5%
Synd 3%
Network TV 29.5%
Spot TV 25.5%
Which type of television do you feel gives the best return on your advertising dollar?
Uncertain 8%
Syndicate 6%
Network TV 38%
Spot TV 18.5%
Source: Beta Research Corp.
Advertising Age/Electronic Media Graphic: John Smither

Cheers for the networks



Return on ad dollar keeps buyers coming back

Exclusive cable flights now possible, but if price hikes continue, agencies likely to balk

By Wayne Walley

Cable TV seems to have won an image battle among advertisers and agency buyers, even though it has yet to win the ad revenue war.

According to an exclusive *Advertising Age/Electronic Media* survey conducted by Beta Research Corp., a majority of respondents—61.5%—increased their cable spending last year compared with 1990. Only 16.5% said cable spending decreased last year; the majority of this subset attributed their cable cuts to overall budget reductions.

Gene DeWitt, president of DeWitt Media, a New York-based media buying service, says some of his clients "are looking at entire brand spending going to cable or introducing new products with cable advertising only. And I have no problem doing that."

One reason for the good impression of cable is that it's seen as a medium with value.

Of the survey respondents, 37.5% named cable as the segment of the TV business they feel offers the best return on the ad dollar. This result placed cable just behind network TV, which drew a 38% response.

> Clients "are looking at . . . introducing new products with cable advertising only."

"I think cable offers more individual segmentation than pure numbers and more in marketing opportunities. We've been preaching that since 1980," says Louis Schultz, exec VP-director of media services for Lintas:USA, New York.

"The issue is not reach, but effective frequency. Cable might have a narrow audience but it is the right audience," Mr. Schultz says.

Cable is also perceived as a medium that offers good shows.

A majority of respondents—52%—rated the overall programming quality of cable TV as good, while 3.5% described it as excellent. In addition, 47% said cable TV programming had improved in the last year, while only 1.5% said it had taken a turn for the worse *(see story on Page S-24)*.

Despite the high marks cable TV received in the *Ad Age/EM* survey, the survey's respondents say cable won't get the biggest increases in their overall TV budgets.

While 20.5% say cable will get the biggest percentage increase of their TV budgets, 29.5% will give the biggest percentage jump to network TV and 25.5% will do so for spot TV.

Cable budgets still lag way behind budgets for network and spot TV.

The *Ad Age/EM* survey found that on the average, buyers and advertisers expect to devote 9.7% of their total ad budgets to cable. That's far less than the 31% apportioned to network TV and the 20.3% slotted for spot TV.

Cable proponents, however, point out that advertisers cut network and spot TV spending last year, and that any increases in those budgets will make those media look better.

Network TV advertising dropped 6.7% in 1991 to $9.5 billion and 1991 spot TV dropped 5.8% to $8.8 billion, according to figures from LNA/Arbitron Multi-Media Service.

At the same time, cable TV network advertising increased 9.1% to $1.2 billion. The medium's revenues have jumped each year since LNA started reporting them in 1985.

Still, cable sellers must turn these positive attitudes from buyers into present-day sales. And the buying community indicates it might cut cable budgets if the medium asks for high rate increases.

"If cable goes for more, then you will see a spending shift," says Mr. DeWitt.

Cable sellers thinking about price increases may have to lower their expectations to stay competitive with network and spot TV.

Because of the decreases in network and spot TV ad revenues last year, buyers believe these media will price themselves attractively enough next TV season to warrant more spending.

While it might be a case of bargaining rhetoric prior to the upfront selling season, buyers also believe cable could command more money in the marketplace if pricing remains reasonable.

According to the survey, 43.2% of respondents expect costs per thousand viewers and unit costs for cable to increase in the upfront market, while only 17.3% expect a decrease.

However, buyers define

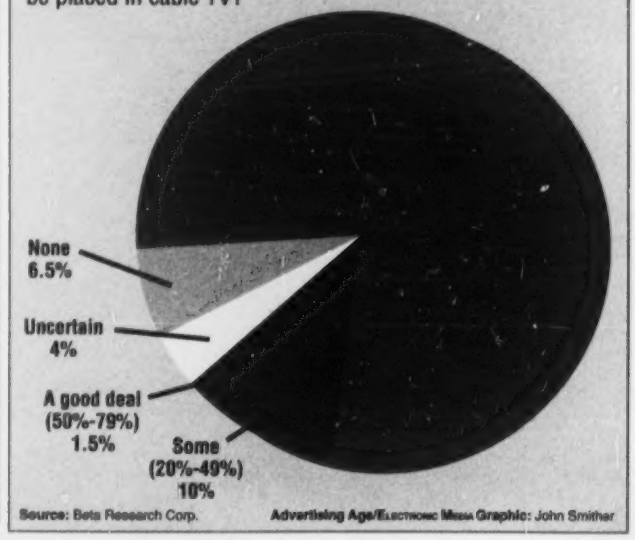
(Continued on Page S-20)

Doug Goodman

Lintas:USA's Louis Schultz expects the cost-per-thousand viewers for cable this year to remain flat or increase by no more than 2%.

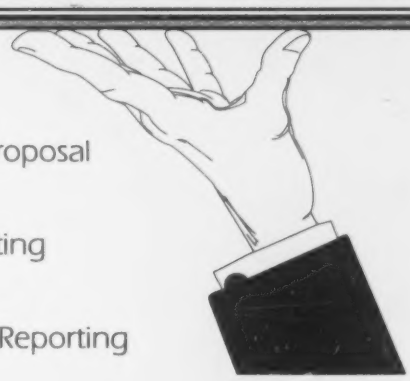
Cable: High praise, low sales

What percentage of your total 1992 ad budget will be placed in cable TV?



Source: Beta Research Corp. Advertising Age/Electronic Media Graphic: John Smither

MSA Delivers Cable SOLUTIONS



- Beginning with a Sales Proposal in CableCAR
- Through post-buy reporting in C-Post
- Including Management Reporting in M-Track.

Responding to the industry's paper flow problems today, while planning the expert systems of tomorrow.

Call 1-800-MSA-INFO today to find out how MSA can deliver cable solutions to you.

MANAGEMENT SCIENCE ASSOCIATES, INC.
THE GENESSA GROUP

Corporate Headquarters: 6565 Penn Avenue, Pittsburgh, PA 15206-4490 (412)362-2000
Offices: Chicago, Connecticut, New York, Phoenix, Seattle, Toronto & Washington, DC

Coming back to cable

(Continued from Page S-18)

"reasonable pricing" as meaning no CPM increase.

Mr. Schultz says he expects cable costs to be flat or perhaps up 1% to 2% on a CPM basis "depending on what you buy, be it sponsorships or straight media."

Mr. DeWitt says the only thing that could slow cable's growth this year is "unrealistic pricing from a few networks."

"Cable in general is clever in how they sell, but some, such as CNN, are living on a few weeks of glory and the pricing is near broadcast network costs-per-point. That will alienate some buyers," Mr. DeWitt says.

"Cable in general is clever . . . but some, such as CNN, are living on a few weeks of glory."

Mr. DeWitt says he expects broadcast network pricing to be flat to up as much as 5% on a CPM basis this year. He also expects no change in cable CPMs.

"In the last year, cable has gotten close to broadcast [efficiencies] while still being more efficient," Mr. DeWitt says. "But there is a risk of those lines crossing and if they do, then money will flow out of cable like water out of a bucket."

Richard Kostyra, exec VP-director of media services at J. Walter Thompson USA, New York, says that despite a perception that cable's growth might be slowing, cable's increased share of the market is inevitable.

"As programming gets better and awareness increases and people become more familiar with cable, it will grow," Mr. Kostyra says.

"The industry is starting to mature, but it will continue to grow probably with a spurt, then a plateau, then spurt again."

He also agrees cable's revenue growth in 1992-93 depends upon its pricing strategies.

"At best, cable should stay flat because the competition is severe," Mr. Kostyra says. "Everyone wants to make up ground for last year, but now there are new venues such as place-based media to compete with and I think cable is even fighting itself more than ever.

"There are a lot of entities out there and others are very anxious this year," Mr. Kostyra says. If cable networks try for too much, he adds, that "could set cable back."

Still, many like cable's future prospects. A huge majority of survey respondents, 76%, say cable has the greatest growth potential among the four types of TV media.

"I think cable could have explosive growth," Mr. DeWitt says. "More advertisers seem willing to put aside the old formulas of '10% goes to cable.' " □

HIRE GOALS.

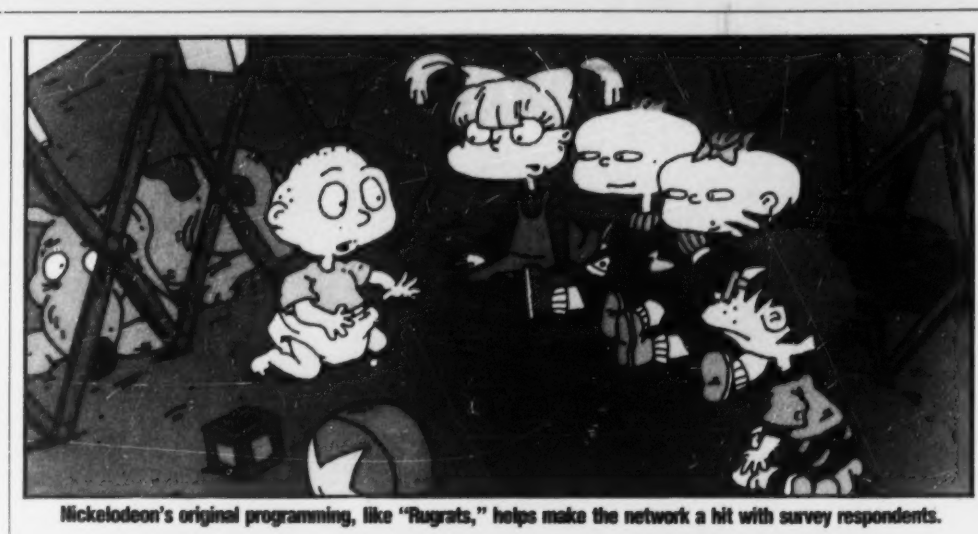
When you're in search of the best, there can be no compromises. The Forum Personnel Advertising and Marketing Division is committed to uncompromised goals of excellence. Goals higher than most, which help us to provide you with only the most qualified professionals in the business:

• *Advertising* • *Sales Promotion*
• *Account Management* • *Media*
• *Graphic Arts* • *Production* • *Traffic*
• *Marketing* • *Market Research*

For information contact:
Karen Katz, VP/Principal

FORUM
PERSONNEL INC

342 Madison Ave., New York, NY 10017
212-687-4050



Nickelodeon's original programming, like "Rugrats," helps make the network a hit with survey respondents.

Turner properties CNN, TNT top growth-potential poll

Ted Turner, take a bow.

It's not because *Time* declared you Man of the Year in 1991. Or because your Atlanta Braves won the National League pennant last baseball season. Or because you've trumpeted concerns about the environment.

This time, it's because an *Advertising Age/Electronic Media* survey of agency media buyers and marketer executives shows two of your cable networks have tremendous growth potential *(see chart at right)*.

According to an exclusive *Ad Age/EM* survey conducted by Beta Research Corp., buyers and advertisers named Cable News Network and Turner Network Television most often as the cable networks with the most growth potential.

For this question, survey respondents were allowed to name as many networks as they wished.

CNN drew the biggest response, as 44% of the respondents said the network had the greatest growth potential. TNT placed second, with a 33.5% response.

The other Turner properties, WTBS and Headline News, placed farther down on the list. WTBS placed eighth, with a 14.5% response, but was named more often than any other superstation. Headline News finished 14th.

Aside from the Turner networks, buyers saw the best growth potential in cable networks that cater to educated audiences and younger viewers.

On the cerebral side, Arts & Entertainment Network placed fourth with a 24.5% response, while the Discovery Channel placed sixth, with 22%.

As for networks targeting younger crowds, USA Network garnered a 23% response, for a fifth-place finish. Nickelodeon came in ninth, after being named by 11.5% of the respondents. □

Good news for CNN

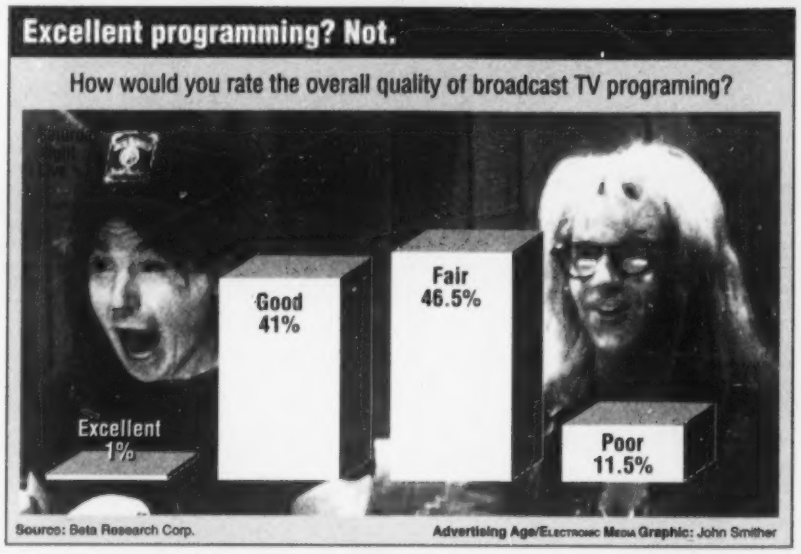
Which cable networks have the greatest growth potential?

1.	CNN	44 %
2.	TNT	33.5
3.	ESPN	27.5
4.	Arts & Entertainment Network	24.5
5.	USA Network	23
6.	Discovery	22
7.	Lifetime	16
8.	WTBS	14.5
9.	Nickelodeon	11.5
10.	Family Channel	7.5
11.	MTV: Music Television	5.5
12.	CNBC	5
	SportsChannel America	5
14.	Headline News	4.5
	Comedy Central	4.5
16.	Weather Channel	4
	TNN: The Nashville Network	4
18.	E!: Entertainment Television	3.5
19.	AMC	3
	VH-1: Video Hits One	3
	Nick at Nite	3
22.	Black Entertainment Television	2.5
23.	Jukebox Network	2
	Courtroom Television Network	2
	Travel Channel	2
	Madison Square Garden Sports Network	2
27.	Monitor Channel	1.5
	WWOR	1.5
	Tempo Television	1.5
30.	C-SPAN	1
	WGN-TV	1
	Nostalgia Channel	1
	Sci Fi Channel	1
	Univision	1
	Score	1
	Others	3
	Uncertain	9
	No Answer	0.5

Source: Beta Research Corp. Advertising Age/Electronic Media Graphic: John Smither

Network bugaboo: getting consistent program quality

Cost squeeze tightens, but buyers see need for fare like 'Seinfeld,' 'I'll Fly Away'


Excellent programming? Not.
How would you rate the overall quality of broadcast TV programing?
Excellent 1%
Good 41%
Fair 46.5%
Poor 11.5%
Source: Beta Research Corp.
Advertising Age/Electronic Media Graphic: John Smither

By Debra Aho

Quality is a double-edged sword.

Media buyers want top-notch broadcast TV programming, but they believe the networks can't afford to pay the lofty production costs for such shows—as high as a reported $2.3 million an episode for NBC's "Cheers."

In an exclusive survey of marketers and agency media buyers conducted by Beta Research Corp. for *Advertising Age* and *Electronic Media*, 58% of the respondents rated the quality of broadcast TV programming fair or poor, and only 15.5% said programming has improved from last year.

To buyers, a quality show is a good environment for clients' TV commercials and reflects well on the advertiser. But none wants the networks to sacrifice audience for quality.

"The last thing we want to see [the networks] do is spend a ton of money on programming that attracts no audience," says Irwin Gotlieb, senior VP-worldwide director, broadcast and programming at D'Arcy Masius Benton & Bowles, New York. "None of us will be in terrific shape if the networks continue to lose money and/or go out of business."

But Peter Tortorici, exec VP of CBS Entertainment, says the networks have the funds to invest in quality programming and top stars.

"We might not have money to spend on other areas . . . but the last place any of us puts less money into is programming, because that's our lifeblood," he says.

Program quality is still good, he says, although he admits the networks "have a long way to go" to achieve consistent quality across all programs and time periods.

One problem buyers have seen is that the cost-conscious networks prematurely pull the plug on well-crafted shows that fail to draw a big audience quickly.

"They need to let some of these shows find the high water and get an audience," says Charles Bachrach, senior VP-director of network and programming, Rubin Postaer & Associates, Los Angeles.

He says series such as CBS' "Northern Exposure" and NBC's "Seinfeld" might not have survived if programming executives had decided to drop the shows when they weren't performing well.

But quality shows need the backing of advertisers and their agencies to succeed, Mr. Tortorici says.

"If they really believe . . . the quality of the show attracts a quality viewer, they shouldn't be buying it on a strict commodity basis and holding the numbers against the network when they negotiate price," he says.

"It's one thing to decry the fact the networks don't stay with quality shows and another thing to use the same numbers and try to negotiate the price down so that the network can't afford to be in business with it," he adds.

While buyers praised the networks for their commitment to quality dramas such as NBC's "I'll Fly Away" and ABC's "Homefront" this season, they admit comedies generally find their audiences more easily—and less expensively—than dramas.

"Comedies are still easier to introduce, easier to establish, easier to promote. You don't need to involve viewers over time," says Betsy Frank, senior VP-director of TV information and new media at Saatchi & Saatchi Advertis-

(Continued on Page S-26)

TV DATA

Introduces a Comprehensive Database of TV Information:

▼

Clearance Data for Movies, Series, Talk Shows and more

▼

U.S. and Canadian Broadcast Station Schedules

▼

Episode Information

Custom Formats and Delivery Methods

Call Richard Guay today at **800-833-9581.**

TV DATA
NORTHWAY PLAZA
QUEENSBURY, NY 12804
AN AFFILIATE OF UNITED MEDIA
A SCRIPPS HOWARD COMPANY

Nobody Watches TV Better Than We Do

'Good script, good actor chemistry'

There's more to producing a good TV show than a big checkbook. *Advertising Age* and *Electronic Media* asked several buyers for advice on what the networks can do to improve programming.

Irwin Gotlieb, senior VP-worldwide director, broadcast and programming, D'Arcy Masius Benton & Bowles, New York

Networks should develop shows that meet sharply defined audiences, Mr. Gotlieb says.

"Be it because of fiscal prudence or the fact that they've finally figured it out, we see a lot more of a focused approach and a lot more discipline in the way they develop stuff than we have in some previous years. We think that bodes well for the season."

Charles Bachrach, senior VP-director of network and programming, Rubin Postaer & Associates, Los Angeles

> CBS is "taking retreads, and if it doesn't catch up with them next year it may a year from now."

Winning the ratings race can sometimes mean forgoing original production, Mr. Bachrach says.

"CBS has come around to be No. 1 for the season, which is a big turnaround, but look at what they're starting to program. They're taking retreads, old shows, and if it doesn't catch up with them next year it may a year from now. You add to that the spinoff of spinoffs [trend] and you're not getting anything exciting" on network TV.

Made-for-TV movies that explore difficult topics are important for the networks, even if advertisers sometimes shy away, he says.

"The quality is there, but it's getting hurt because advertisers are pulling out of it . . . There's nothing that strikes a chord because the stuff that strikes a chord the networks are afraid to put on because the advertisers won't get into it."

Moving shows from slot to slot on the schedule confuses audiences, he says. ABC, especially, is prone to this.

ABC Entertainment President Bob Iger "is a financial guy; he ought to listen to some of the program guys and stay with something long enough to see if it's going to be a hit," Mr. Bachrach says. "He moves shows from here to there like a major checkerboard."

Bill Croasdale, president-national broadcast, Western International Media, Los Angeles

After slashing costs elsewhere, the next area the networks will go after is program development, Mr. Croasdale says. This, he thinks, could lead to increased production from less costly foreign sources.

Foreign-made shows may not necessarily be higher quality but are less expensive to produce. That would and will keep the door open for foreign sales, Mr. Croasdale says.

"What it could mean down the road is more foreign production if that's the only place to get the most bang for your American dollar," he says.

Still, a quality program must meet three criteria, Mr. Croasdale says: good script, good direction and production and, most importantly, good chemistry among the actors.

Betsy Frank, senior VP-director of TV information and new media, Saatchi & Saatchi Advertising, New York

Networks must find good program concepts that are familiar enough to draw an audience, yet "not cut from a mold that got moldy a long time ago," Ms. Frank says. Using longtime TV stars in new roles is one way to do this, she says, citing CBS' Bob Newhart series, "Bob," now in development.

In addition, so-called "event series" represent a way for the networks to explore quality programs and give viewers the opportunity to see the work of such film directors as Oliver Stone on TV, she says. □

—Debra Aho

Programming strength makes cable believers out of agency execs

Rosy future assured as almost half of those polled say cable fare is better than last year

By Alison Fahey

Not too long ago, one of the complaints about cable TV was that there wasn't anything good to watch.

After all, tractor pulls, suggestive music videos and reruns of obscure off-network series weren't going to steal scores of viewers from "Cheers" or "The Cosby Show."

But thanks primarily to the industry's push in original programming, agency media buyers and marketer executives now think cable shows are as good as, or better than, broadcast programs.

"The experimentation and the investment in original programming is a clear sign that . . . the cable networks are making real commitments to produce and distribute the best programming," says Mike Drexler, exec VP-worldwide media director, Bozell, New York.

In fact, most media users say those efforts are getting ready to pay off for cable.

The results of an exclusive survey of buyers and marketer executives commissioned by *Advertising Age* and *Electronic Media* support Mr. Drexler's belief.

According to the survey conducted by Beta Research Corp., 47% of the respondents said cable TV programming is better than it was last year. In comparison, 15.5% of the respondents said broadcast TV programming has improved during the previous year.

While 20% of respondents said broadcast TV's programming quality was worse than in the previous year, only 1.5% said cable programming quality had slipped.

In addition, the survey found 55.5% of the respondents characterized the overall quality of cable TV programming as excellent or good. Meanwhile, only 42% of the respondents described broadcast TV program quality as excellent or good.

Broadcast TV also had 11.5% of respondents describing program quality as poor—more than double the 5% characterizing cable program quality that way.

These results echo the findings of an earlier study of consumers conducted by Lintas:USA. It found that viewers perceive programming on cable TV to be improving more than broadcast TV programming.

In the survey gauging consumers' attitudes toward TV, 34% of respondents said cable TV programming was somewhat or much better, compared with the same period a year ago, while only 27% said the same about broadcast TV.

Why do consumers, and now agency buyers, give higher marks to cable TV programming?

The main factor influencing buyers' perceptions of cable TV programming appears to be the industry's investment in original programming.

Nearly every ad-supported cable TV network has been increasing the dollars slotted for original production.

"There are off-network shows on USA Network, WTBS, Nickelodeon and Lifetime," says Erica Gruen, senior VP-associate director, television and new media, Saatchi & Saatchi Advertising, New York. "But a lot more money is being spent on cable programming and not just on made-for-cable movies."

Some critics might say that because of its young age, the medium is judged by a lower standard than broadcast TV. Mr. Drexler, however, disagrees with this theory.

"There's a prevailing attitude that ABC, CBS and NBC are still the gold standard of TV programming," Mr. Drexler says. "So anything that is not associated with those three networks tends to have something less than primary status."

"Television is not a medium that tends to carry the freight of historical perspective," Ms. Gruen says. "Everyone competes in the same environment. There is no law that says cable has a lock on new ideas. Theoretically, everyone is going to the same source," she says.

Other observers say the image of cable shows has been helped by several impressions about the medium —even though these beliefs have little to do with program quality.

One reason buyers may perceive cable shows as being better than broadcast TV offerings is that cable's a targeted medium with shows designed for a specific audience niche. As a result, every show will have an interested audience.

"I don't have to worry about programming to 12 million people," says Greg Moyer, senior VP-programming, Discovery Networks, which operates Discovery Channel and Learning Channel.

"There's tremendous freedom in the fact that we don't have to try to catch all the fish every time we throw the net out," he says.

Cable's targeted program offerings also allow it to be seen as a more diverse—and thus more interesting, if not better-programmed—medium than broadcast TV.

"Cable has an advantage because of the diversity. There are four broadcast networks and a bunch of cable networks," Ms. Gruen says.

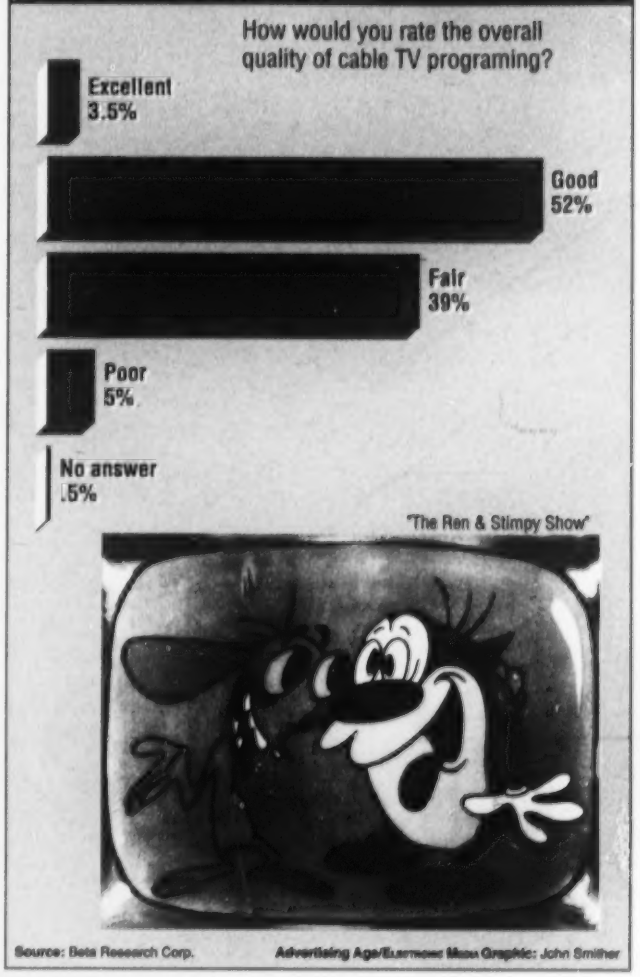
Some observers also believe the advertising community's impression of the medium has been bolstered by Cable News Network's coverage of the Persian Gulf War and other breaking news stories.

"The emergence of CNN as the pre-eminent news gatherer . . . had an enormous amount to do with lifting the prestige of cable programming overall," Ms. Gruen says.

But cable program quality may be facing renewed competition from the broadcast networks. Big 3 offerings such as NBC's "I'll Fly Away" and ABC's "Homefront" have received good reviews, if not devoted audiences.

"I do think the broadcast networks are as committed to develop as they've always been and will continue to do what they can. They are fighting back," Mr. Drexler says. "They have begun to recognize that cable will continue to be a major factor and can no longer be ignored in any way." □

Cable: wired for quality


How would you rate the overall quality of cable TV programing?
Excellent 3.5%
Good 52%
Fair 39%
Poor 5%
No answer .5%
"The Ren & Stimpy Show"
Source: Beta Research Corp.
Advertising Age/Euromoney Mass Graphic: John Smither

"There's an attitude that ABC, CBS and NBC are still the gold standard. Anything not associated with them tends to have something less than primary status."

Mike Drexler
Bozell

"There are off-network shows on USA Network, WTBS, Nickelodeon and Lifetime. But a lot more money is being spent on cable programming."

Erica Gruen
Saatchi & Saatchi

"There's tremendous freedom in the fact that we don't have to try to catch all the fish every time we throw the net out."

Greg Moyer
Discovery Networks

'It's about time advertiser got a break' in spot TV

Buyers seemingly hold all of the cards in soft market that's full of last-minute purchases

By William Spain

One thing's for sure with spot TV in the fall: It's a buyer's market.

Even if the demand for spot time picks up, buyers and sellers say there should be plenty of time available at steady or lower prices during the upcoming season.

"The media got theirs before and it's our turn now," says Len Kay, senior VP-director of media operations at Kelly, Scott & Madison, a Chicago-based media-buying service. "It's about time the advertiser got a break. [Costs per thousand viewers and rate increases aren't] automatic anymore."

Like cash-strapped consumers who delay their big purchases, spot TV advertisers are postponing their buys until they know they need the time.

"Our clients are holding onto their money longer, and decisions are being made right down to the wire," says Jerry Bonsaing, exec VP-director of local broadcast, Backer Spielvogel Bates, New York. "It's a flexible medium, and [clients] take advantage of that."

Pricing "is going to stay the way it is—and that's pretty flat," Mr. Bonsaing says. "I can't see it going anywhere."

Mr. Bonsaing adds his 1992 buying plans were based on flat or reduced costs, and his plans for next year should feature the same.

Observers don't foresee short-term demand spurts that would temporarily tighten availability and drive up prices.

"Even if demand increases later in the year, it would have to catch up to availability. They've got a lot of stuff sitting on the shelf," Mr. Kay says.

Some areas of the nation have been hurt more than others, says Jim Beloyianis, senior VP at Katz Television Group, New York. "There is no question that the Northeast continues to soften."

"We have been down for the last three years, and this particular station is flat with last year," says Stuart Tauber, station manager of Boston independent WSBK-TV.

Mr. Tauber foresees some help from this fall's elections. But, he says, "even if the market stiffens up, all it will do is make up for lost revenue."

In addition, business in the South is still slow.

"The market right now is flat or soft as compared to last year," says John Carpenter, VP-general manager of NBC affiliate WDSU-TV, New Orleans. "We don't see signs of any specific recovery in the marketplace."

On the positive side, Mr. Bonsaing sees West Coast markets doing a little better than the rest of the country.

"They are showing some strong activity—not tight markets but active market conditions," says Mr. Bonsaing, adding that he doesn't think West Coast stations will be sold out for the rest of the year.

Also, business appears to be brightening in the Midwest.

"National spot has been getting stronger every month," says Maria Tully, director of sales for CBS affiliate WITI-TV, Milwaukee. She adds that in her market, national business is up 5% for the second quarter.

There may be other hopes for spot TV sellers nationwide. If this year's market is anything like last year's, business should pick up before year's end.

According to an exclusive survey of media buyers and marketer executives conducted for *Advertising Age* and *Electronic Media* by Beta Research Corp., 44.5% of the respondents increased their spot TV spending last year, compared with 1990.

In addition, spot TV ad sales in February rose 10.1% over February 1991, according to a group time sales survey of about 230 members of Television Bureau of Advertising. This leap marked the first double-digit monthly gain since July 1990.

Despite this TVB finding, buyers and sellers believe the spot market will be soft enough to give buyers the upper hand.

"We came into the year soft and it's still soft," says Mr. Kay. □

Spot Check

Source: Horizon Media — Advertising Age/Electronic Media Graphic: Kimberly Mart

Cars, politicians to make a difference

Spot Check, a survey of spot TV purchasing activity in the top 20 markets, is compiled by Horizon Media, New York. This Spot Check looks at fourth-quarter spot availability, as currently projected.

Top 20 overview: This fall's spot TV market should generally be healthier than last year's, says William Koenigsberg, president of Horizon Media. Mr. Koenigsberg says spot demand will be fueled by U.S. auto marketers and political candidates.

Here are Horizon Media's predictions on spot time availability this fall in the top 20 markets, and the ad categories projected to show increased demand within each market.

TIGHT—Time available but demand keeps prices stable:

Atlanta: Political, beverage, fast-food, direct response.

Dallas: Fast-food, retail.

Houston: Oil/gasoline, movie, auto marketer, banking, beverages.

Los Angeles: U.S. automakers, banking, fast-food.

Sacramento, Calif.: Political spending, fast-food, financial services.

San Francisco: Computer, financial, political.

Seattle: Banking, U.S. auto, beer.

Washington: Political, U.S. auto, banking, movies.

NEGOTIABLE—Time available at negotiable rates:

Boston: Banking, beer, political, entertainment.

Chicago: Banking, computer, U.S. auto, fast-food.

Cleveland: U.S. automakers, fast-food.

Detroit: Beverage, retail, U.S. automakers, banking.

Miami: Banking, U.S. and import autos, beverage, movies, fast-food.

Minneapolis: Fast-food, banking, political, beverages.

New York: Political, banking, U.S. and import autos.

Philadelphia: Banking, U.S. autos, supermarket.

Phoenix, Ariz.: Foreign autos, supermarket, home improvements.

Pittsburgh: Package goods, U.S. auto, fast-food.

St. Louis: Political, banking, U.S. and import autos.

Tampa, Fla.: Banking, U.S autos, entertainment. □

Network show quality

(Continued from Page S-22)

ing, New York.

Standard sitcoms would appear to meet one programming suggestion that some buyers have: develop shows that fulfill specific needs.

"When you start with a definition of what your needs are and work toward solving those problems specifically with programs that are well-crafted and executed, you wind up with a much better end product," Mr. Gotlieb says.

Taking that approach leaves little room for experimentation, Mr. Gotlieb says. But with a few exceptions like "Northern Exposure," "almost all of the breakthrough programming that has been offered over the years has failed" or worked only briefly, he says. He adds that "Twin Peaks" is an example of an off-beat show that did well for a short time but then fizzled.

On the other hand, some buyers fear the cost squeeze could jeopardize experimentation, leaving the networks with nothing new to present.

"I was one of the first ones to blast 'Cop Rock,' but you can't deny the fact that at least [ABC] took a chance with a new and innovative idea," says Bill Croasdale, president-national broadcast at Western International Media, Los Angeles.

"Talent prices being paid to some of these actors are ludicrous."

But buyers have yet to agree over whether the high price tag of network TV production is worth it.

"Below-the-line costs have gone down or stayed the same, but it's the stars' salaries that have continued to escalate in TV programming," Ms. Frank says.

"I think the talent prices being paid to some of these actors are ludicrous," Mr. Bachrach says. " 'Cheers' is probably one of the finest-written comedies on TV since 'M*A*S*H,' but the price Paramount [Network Television] is ripping off the network for" isn't warranted.

But at least one buyer sees value in "Cheers," despite its high per-episode cost.

"A program like 'Cheers,' expensive as it may be, has a positive spillover on the entire NBC schedule," Mr. Gotlieb says. "So if NBC decides that it's worth [the cost], they do so not only because of what it brings to the half-hour but because it affords a promotion platform for its other programming and a lead-in to the subsequent show."

After all, in Mr. Gotlieb's opinion, "TV isn't an art form; it's a business." □

Paul Natkin

Warner Bros.

There is a growing disparity between upper-level syndicated fare such as "The Oprah Winfrey Show" (left) and lower-level shows like "Jenny Jones."

Syndication taking its lumps

High-tier shows such as 'Star Trek' and 'Wheel of Fortune' can't drive the medium forward 'because of all of the low-tier stuff'

By William Mahoney

Syndicated TV's desire to expand its advertiser base appears to be in jeopardy.

The results of an exclusive survey conducted for *Advertising Age* and *Electronic Media* by Beta Research Corp. reflect the shortcomings agency media buyers and marketer executives see in the medium.

The average survey respondent will place 4.3% of his total 1992 ad budget in syndicated programming. That figure lags far behind the average budget portions to be allotted to network (31%), spot (20.3%) or cable TV (9.7%), according to the survey.

The survey also found that 43% of the respondents wouldn't buy any syndicated TV time this year, and that only 3% say syndication will get the biggest percentage increase of their TV budget in 1992.

"We are still, by and large, bought by the very largest advertisers. Unfortunately, we don't draw most of our money broadly," says Tim Duncan, executive director of Advertiser Syndicated Television Association. "It is very concentrated. We're trying to change that."

The survey results apparently are attributable to the growing disparity between upper- and lower-level syndicated programming; syndicated TV's underdelivery of audiences; and the lack of marketing in the medium.

Both buyers and sellers of syndicated time think the disparity between the two distinct levels of syndicated programming needs to be reduced.

"I think, when you talk about syndication, you need to differentiate between high tier and low tier," says Bill Evans, senior VP-executive media director, Foote, Cone & Belding, Los Angeles.

He says the higher-tier product "is beginning to approach [costs per thousand] almost equivalent of network, but syndication in general is going to be slow because of all of the low-tier stuff."

On the high end are shows such as Paramount Domestic Television's "Star Trek: The Next Generation" and King World Productions' "The Oprah Winfrey Show," "Wheel of Fortune" and "Jeopardy!" whose ratings and demographics resemble those of network TV shows.

But on the low end come shows such as "Jenny Jones" from Warner Bros. Domestic Television Distribution and "Dennis Miller" from Tribune Entertainment Co. These programs have been highly touted but have hobbled along with 1.5 to 2.5 ratings from Nielsen Media Research.

Many new syndication series have been hard-pressed to achieve a 3 rating, once seen as the go/no-go point for advertisers.

"It's very difficult to sell that these days because the lineups are very tenuous and changing because the ratings are getting lower, like in the 2 and 3 category," says Russ Naiman, president of barter sales company Taurus Media Sales.

"Cable is not that far behind 2s and 3s," he adds.

But as Mr. Evans points out, these low levels give cable an inherent advantage over syndication because of its "ability to home in on specific targets with limited out-of-pocket cost."

"People are saying they're buying cable for targeting," adds Mr. Naiman. "Very little syndication is targeted."

Even though some syndicated shows draw low ratings, agency buyers say syndicators have a habit of overestimating their audiences.

"Syndicators tend to overestimate the ratings and tend to underdeliver the audience," says Kathy McGrath, senior VP-associate director of network for Western International Media, Los Angeles.

Syndicators "have been having problems with a tremendous drop-off in ratings, and they have been using a lot of their inventory for make-goods," Mr. Evans says. "The same isn't true for cable."

Syndicators seemingly could also learn a few things about self-marketing from cable, observers say.

What they say syndication needs is an industrywide marketing group that can successfully promote the medium the way the Cabletelevision Advertising Bureau has for cable.

"I think everyone will acknowledge that cable has done a superb job of marketing itself," says ASTA's Mr. Duncan. "We clearly have not done as a good a job capturing the hearts and minds of the broad advertising community."

"I don't think that they market themselves very well," Western International's Ms. McGrath says of those selling syndicated ad time.

In contrast, she notes that cable sellers have managed to promote not just their own networks but the medium itself. "Cable has done a remarkable job selling themselves to agencies and advertisers," she says.

A positive sign for syndication has been the development of many new first-run dramas planned for primetime weekly airings and designed as network-level shows, in both audience and quality.

Four such all-barter shows will premiere next January: Warner's "Time Trax" and "Kung Fu: The Legend Continues," and Paramount's "Star Trek: Deep Space Nine" and a new version of "The Untouchables."

"The demand for that stuff is going to be there," says Mr. Evans. "They're going to sell out real fast."

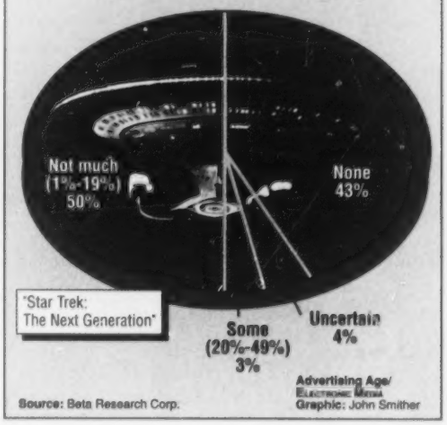
Mr. Naiman counters that the prime-time dramas are "having trouble too because they're trying to price themselves like the networks and the networks are efficient these days, more than they've been in a long time."

But he adds that the development of more top-shelf syndicated products placed on specific weekly time slots is definitely a step in the right direction.

"If more of the lineups in syndication were in more of the same time periods," Mr. Naiman says, "syndication would be a lot better off." □

Syndicator's tough trek

What percentage of your total 1992 ad budget will be placed in syndicated TV?



Source: Beta Research Corp.
Advertising Age/ Electronic Media
Graphic: John Smither

Syndication seemingly hits a plateau

Now it can be told: only one of four media buyers and advertiser executives increased their spending in syndicated TV last year.

Here are some other syndication-related results of the Beta Research Corp. survey done exclusively for *Advertising Age* and *Electronic Media*:

- Only 24% of the survey respondents increased syndicated TV spending last year. In comparison, 44.5% boosted network TV spending, 44.5% hiked spot expenditures and 62.5% increased cable outlays.
- 56% say their syndication spending in 1991 was the same as in 1990, while 20% cut spending. In other words, about three of every four survey respondents say their 1991 syndicated TV spending was no higher than in 1990.
- A mere 6% say syndicated TV gives the best return on the ad dollar. □

—William Mahoney

The bills keep piling up

Top billing spot TV agencies, millions of dollars

	Spot TV billings 1991	1990	% chg	1991 total billings	Spot TV billings as % of 1991 total
1. Saatchi & Saatchi Advertising	$515.5	$500.4	3.0%	$1,908.9	27.0%
2. Foote, Cone & Belding	483.3	505.7	−4.4	2,032.0	23.8
3. Wells Rich Greene BDDP	391.5	375.1	4.4	923.7	42.4
4. D'Arcy Masius Benton & Bowles	348.8	448.6	−22.2	2,050.3	17.0
5. Grey Advertising	326.0	316.7	2.9	1,800.2	18.1
6. Campbell-Mithun-Esty	312.0	308.1	1.3	906.8	34.4
7. Young & Rubicam	304.6	356.7	−14.6	2,026.6	15.0
8. J. Walter Thompson USA	302.1	355.1	−14.9	1,663.5	18.2
9. Backer Spielvogel Bates	286.8	270.4	6.1	1,078.4	26.6
10. Admarketing	278.1	237.3	17.2	317.2	87.7
11. McCann-Erickson	275.0	251.0	9.6	1,417.1	19.4
12. BBDO Worldwide	264.5	266.6	−0.8	1,554.0	17.0
13. Leo Burnett USA	263.5	187.7	40.3	2,040.3	12.9
14. Bozell	224.4	222.9	0.7	1,230.0	18.2
15. DDB Needham Worldwide	208.7	226.9	−8.0	1,688.7	12.4

Top billing network TV agencies, millions of dollars

	Network TV billings 1991	1990	% chg	1991 total billings	Network TV billings as % of 1991 total
1. Saatchi & Saatchi Advertising	$809.4	$785.9	3.0%	$1,908.9	42.4%
2. Leo Burnett USA	800.0	894.0	−10.5	2,040.3	39.2
3. D'Arcy Masius Benton & Bowles	760.0	731.7	3.9	2,050.3	37.1
4. Foote, Cone & Belding	718.7	634.2	13.3	2,032.0	35.4
5. Young & Rubicam	669.8	564.9	18.6	2,026.6	33.0
6. Grey Advertising	621.8	634.5	−2.0	1,800.2	34.5
7. J. Walter Thompson USA	617.8	523.6	18.0	1,663.5	37.1
8. McCann-Erickson	522.0	493.0	5.9	1,417.1	36.8
9. BBDO Worldwide	506.0	514.1	−1.6	1,554.0	32.6
10. Ogilvy & Mather	486.5	504.9	−3.6	1,571.7	31.0
11. N W Ayer	376.3	402.1	−6.4	754.4	49.9
12. Backer Spielvogel Bates	370.0	532.8	−30.6	1,078.4	34.3
13. DDB Needham Worldwide	325.2	300.5	8.2	1,688.7	19.3
14. Lintas: USA	243.8	326.0	−25.2	993.7	24.5
15. Chiat/Day/Mojo	205.2	247.3	−17.0	637.0	32.2

Top billing cable TV agencies, millions of dollars

	Cable TV billings 1991	1990	% chg	1991 total billings	Cable TV billings as % of 1991 total
1. Foote, Cone & Belding	$118.4	$95.0	24.7%	$2,032.0	5.8%
2. DDB Needham Worldwide	105.8	89.1	18.7	1,688.7	6.3
3. D'Arcy Masius Benton & Bowles	101.3	125.2	−19.1	2,050.3	4.9
4. Leo Burnett USA	90.0	54.9	64.1	2,040.3	4.4
5. Saatchi & Saatchi Advertising	82.0	79.6	3.0	1,908.9	4.3
6. Grey Advertising	68.6	69.6	−1.4	1,800.2	3.8
7. Young & Rubicam	61.8	78.8	−21.6	2,026.6	3.0
8. McCann-Erickson Worldwide	55.0	40.0	37.5	1,417.1	3.9
9. BBDO Worldwide	52.7	49.2	7.1	1,554.0	3.4
10. Backer Spielvogel Bates	48.8	NA	NA	1,078.4	4.5
11. Lintas: USA	37.5	33.5	12.0	993.7	3.8
12. Bozell	31.5	23.0	37.0	1,230.0	2.6
13. Ogilvy & Mather	27.4	19.4	41.1	1,571.7	1.7
14. Griffin Bacal	20.7	14.0	48.0	173.8	11.9
15. Ross Roy Inc.	19.7	8.6	128.4	447.0	4.4

Top billing syndicated TV agencies, millions of dollars

	Syndicated TV billings 1991	1990	% chg	1991 total billings	Syndicated TV billings as % of 1991 total
1. Leo Burnett USA	$134.5	$138.5	−2.9%	$2,040.3	6.6%
2. D'Arcy Masius Benton & Bowles	96.4	96.9	−0.6	2,050.3	4.7
3. Foote, Cone & Belding	82.6	76.3	8.3	2,032.0	4.1
4. Jordan, McGrath, Case & Taylor	52.9	44.4	19.2	350.0	15.1
5. Backer Spielvogel Bates	45.9	NA	NA	1,078.4	4.3
6. McCann-Erickson	45.0	45.0	0.0	1,417.1	3.2
7. Ogilvy & Mather	36.2	25.9	39.8	1,571.7	2.3
8. DDB Needham Worldwide	30.1	36.0	−16.3	1,688.7	1.8
9. Young & Rubicam	29.1	27.6	5.4	2,026.6	1.4
10. Saatchi & Saatchi Advertising	26.7	26.0	2.7	1,908.9	1.4
11. Hal Riney & Partners	13.0	12.0	8.3	325.0	4.0
12. BBDO Worldwide	11.5	5.9	95.8	1,554.0	0.7
13. Bozell	10.0	10.0	0.0	1,230.0	0.8
14. Carrafiello-Diehl & Associates	7.3	4.8	53.0	59.0	12.4
15. Sudler & Hennessey	5.6	4.5	24.4	183.8	3.0

Source: Advertising Age, April 13, 1992

Advertising Age/Electronic Media
Graphic: John J. Bohorquez

Marketer execs turn dials to their favorite TV offerings

Picks from obvious '60 Minutes' to 'quirky' 'Northern Exposure' . . . and then there's the two 'Wings'

Whatcha watchin'?

Advertising Age *and* Electronic Media *wanted to get the viewing habits of media and marketing executives at major TV advertisers.*

We contacted an executive at various marketers and asked: What three TV shows do you regularly watch, and why?

The only rule was they should name their personal favorites and not necessarily the shows that are the best ad vehicles for their companies.

Maurice Kelley Jr., VP-marketing services, SmithKline Beecham Consumer Brands

"Roseanne," ABC. "I watch it for the same reason I watch 'Murphy Brown'—this show is clever, funny and fresh."

"Home Improvement," ABC. "Tim Allen is really such a funny man and the concept is so good."

"60 Minutes," CBS. "I'd hate to see those guys pull up in my driveway but I love to watch them."

Vic Fondrk, VP-media and co-op advertising, Universal Pictures

"Northern Exposure," CBS. "It's very entertaining and offbeat. It's often hilarious and often poignant."

"In Living Color," Fox. "It's got an attitude, it pushes the envelope, and it's really funny."

Indianapolis 500, ABC. "Or any auto race—even the ones on TV at 5 a.m. I used to race motorcycles. I got my first motorcycle when I was 10, and I drive a Ferrari now."

John McMennamin, VP-marketing services, Nestle USA

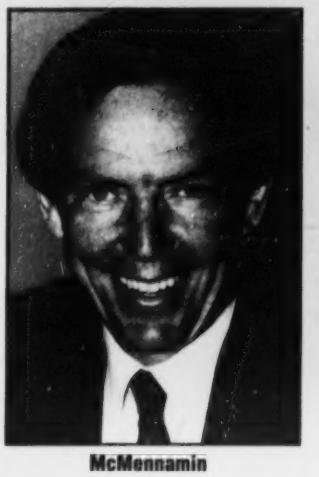
"60 Minutes," CBS. "It's an informative exploration of issues, and I find I usually learn something. I watch it once or twice a month during the peak season, though I don't care for it enough to watch reruns."

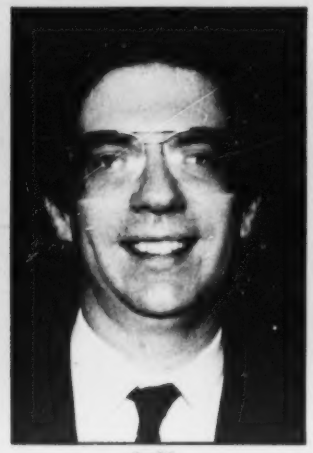
"Wings," The Discovery Channel. "[The network] may be [part of] a new breed of cable that is increasingly segmenting the viewing audience. Branding may not be a bad word for it. The type of programming they do is very informative, educational. I feel like I've spent the time well."

U.S. Open Tennis Tournament, CBS. "It goes by season—football, basketball, tennis. I am a tennis player, and I thought [U.S. Open] coverage was excellent last year."

Stephen Smith, media director, American Express Travel Related

NBC's "Wings" had its fans among marketing executives.


McMennamin


Smith

Lites

Kramer

Porter

Services Co.

"Northern Exposure," CBS. "I like the mix of characters, I like some of the quirky story lines. I like the flow, the sense of perspective, the way people look at life like that so far away from cities. I grew up in a medium-size Midwestern town [Madison, Wis.], so I don't have a New York perspective on life."

"Homefront," ABC. "It's a very well-done, classic TV show that has interesting story lines and good performances."

"Star Trek: The Next Generation," Paramount Domestic Television. "But I wouldn't necessarily say I'm a Trekkie."

Denise Ilitch Lites, senior exec VP, Little Caesar Enterprises

"Roseanne," ABC. "I like shows that portray strong women and are done with great humor."

"L.A. Law," NBC. "It must be my law background, but I like the show. I love the characters and story development."

"Wings," NBC. "The show is light and humorous. I know Crystal Bernard and I think she is wonderfully funny, and cute, too."

John Kramer, director of marketing, Amati division, Mazda Motor of America

"Star Trek" and "Star Trek: The Next Generation," Paramount Domestic Television. "I like both the old and new versions. I guess I'm not a true Trekkie. I'm the only person my wife knows who can watch the same episode for the seventh time as if I'd never seen it. I've always enjoyed the space adventures, and I still want to go to the moon."

"Wings," The Discovery Channel. "As I'm flipping through the channels as a typical American male, I typically end up stopping on the Discovery Channel. I'm a pilot, and 'Wings' always gets me. I used to fly Cobra gunships in Vietnam."

"Northern Exposure," CBS. "That show will get me to wake back up to watch it. It's on the edge. The plot is offbeat enough that it's cute, refreshing."

Michael Porter, VP-marketing, Stroh Brewery Co.

"Cheers," NBC. "I like it because it has intelligent humor and because it takes place in a bar."

"Full House," ABC. "I watch it with my little girl because she just loves it. I guess the humor is just juvenile enough that a 9-year-old can appreciate it."

"Wings," NBC. "It reminds me of a lot of good sitcoms in their early stages where they can do lots of different things. I enjoy watching the characters develop."

Steve Lyons, general marketing manager, Lincoln-Mercury division, Ford Motor Co.

"60 Minutes," CBS. "To preview any hot topics for the week and to see who else can afford the cost of advertising on this show."

"Murphy Brown," CBS. "Because I have a crush on Candice Bergen."

"Star Trek: The Next Generation," Paramount Domestic Television. "Because the good guys and gals always win and Clint Eastwood doesn't have a TV show."

Michael Hines, senior VP-marketing, Fidelity Investments

C-Span. "It gives you a ringside view of places you'd never get invited to otherwise."

"In Living Color," Fox. "It's one of the most 'rawly' creative programs on TV right now."

Law and Order," NBC. "It's very realistic, with tight dialogue and fabulous lighting." □

Reported by Judann Dagnoli, Marcy Magiera, Bradley Johnson, Gary Levin, John P. Cortez, Cleveland Horton, Raymond Serafin and Kate Fitzgerald.

Fondrk

If controlling your commercial inventory seems like an uphill battle...

Maybe you need a CableCAR
Cable's Computerized Advertising Reports

A cable network can schedule over 125,000 commercials a year. And that's before the first program change or contract revision. Add these factors and you're closer to a half million units a year. That's a lot of inventory to control!

CableCAR has been specifically designed to provide this control.

CableCAR connects information from different departments into one smooth flowing system. Then, the computer does what it does best...add, subtract, file and retrieve. CableCAR does the grunt work so the sales staff can spend more time selling and managers can spend more time managing. The result...superior inventory management, higher profitability and better staff utilization.

Too many people are spending too much time chasing inventory. Let us show you how CableCAR can change your paperwork nightmare into an information joy ride. Call us at **1-800-MSA-INFO** to arrange a demo of CableCAR in your offices. Or, ask about our other fine products. Cadence, for broadcast network and syndication inventory control. And soon, AgencyCAR for automatic downloading of contract information, brand allocations and trafficking.

MANAGEMENT SCIENCE ASSOCIATES, INC.
THE GENESSA GROUP

Corporate Headquarters: 6565 Penn Avenue, Pittsburgh, PA 15206-4490 (412)362-2000
Offices: Chicago, Connecticut, New York, Phoenix, Seattle, Toronto & Washington, DC

This show is brought to you by . . .

Leading advertisers on network TV, millions of dollars

		1991	1990	% change
1.	General Motors Corp.	$527.8	$598.4	-11.8%
2.	Procter & Gamble Co.	515.7	557.6	-7.5
3.	Philip Morris Cos.	389.5	402.2	-3.2
4.	Johnson & Johnson	239.8	211.4	13.4
5.	Kellogg Co.	236.6	301.3	-21.5
6.	Ford Motor Co.	217.5	196.9	10.5
7.	PepsiCo	204.6	193.4	5.8
8.	Sears, Roebuck & Co.	187.9	253.8	-26.0
9.	Chrysler Corp.	176.2	190.0	-7.3
10.	Toyota Motor Sales USA	173.7	170.9	1.6
11.	American Home Products Corp.	173.3	150.5	15.1
12.	AT&T Co.	172.0	244.9	-29.8
13.	McDonald's Corp.	171.8	231.0	-25.6
14.	Unilever U.S.	154.6	162.8	-5.0
15.	General Mills	151.4	142.9	5.9
16.	Anheuser-Busch Cos.	122.9	129.0	-4.7
17.	American Honda Motor Co.	117.0	119.0	-1.7
18.	RJR Nabisco	112.7	133.6	-15.6
19.	Nestle Foods Corp.	109.0	145.6	-25.1
20.	Eastman Kodak Co.	105.6	116.5	-9.4
21.	Grand Metropolitan	103.3	183.1	-43.6
22.	Bristol-Myers Squibb Co.	95.4	124.3	-23.3
23.	Coca-Cola Co.	95.2	88.9	7.1
24.	Walt Disney Co.	93.8	62.9	49.1
25.	Warner-Lambert Co.	84.1	91.1	-7.7
26.	MCI Communications Corp.	76.4	33.1	130.8
27.	Clorox Co.	72.5	58.0	25.0
28.	Thompson Medical Co.	71.6	75.5	-5.2
29.	Mazda Motor of America	68.8	76.1	-9.6
30.	Nissan Motor Corp. USA	66.4	125.8	-47.2
	Total network TV spending	$9,456.2	$10,132.3	-6.7%

Source: LNA/Arbitron Multi-Media Service

Leading advertisers on syndicated TV, millions of dollars

		1991	1990	% change
1.	Philip Morris Cos.	$135.7	$133.8	1.4%
2.	Procter & Gamble Co.	131.8	118.7	11.0
3.	Warner-Lambert Co.	65.1	48.4	34.5
4.	Kellogg Co.	58.4	45.4	28.6
5.	Grand Metropolitan	42.5	45.8	-7.2
6.	Time Warner	40.3	27.6	46.0
7.	General Motors Corp.	38.4	27.6	39.1
8.	Johnson & Johnson	38.3	33.4	14.7
9.	Unilever U.S.	36.9	42.2	-12.6
10.	Nestle Foods Corp.	33.1	36.7	-9.8
11.	McDonald's Corp.	33.0	28.0	17.9
12.	Coca-Cola Co.	31.9	34.1	-6.5
13.	Hasbro Inc.	31.8	7.5	324.0
14.	PepsiCo	29.0	18.0	61.1
15.	Bristol-Myers Squibb Co.	28.5	32.6	-12.6
16.	Eastman Kodak Co.	27.8	21.7	28.1
17.	Mars Inc.	27.4	23.0	19.1
18.	Walt Disney Co.	26.5	14.6	81.5
19.	Sears, Roebuck & Co.	26.0	13.6	91.2
20.	Wm. Wrigley Jr. Co.	25.6	31.5	-18.7
21.	Mattel Inc.	24.2	13.8	75.4
22.	Anheuser-Busch Cos.	23.4	13.7	70.8
23.	RJR Nabisco	22.1	22.1	0.0
24.	Sony Corp.	21.5	11.5	87.0
25.	Nintendo of America	20.7	16.2	27.8
26.	Helene Curtis Industries	19.7	11.7	68.4
27.	Ralston Purina Co.	19.2	11.8	62.7
28.	AT&T Co.	18.8	20.0	-6.0
29.	Ford Motor Co.	17.4	13.7	27.0
30.	Hershey Foods Corp.	16.8	14.5	11.6
	Total syndicated TV spending	$1,850.4	$1,587.6	16.6%

Source: LNA/Arbitron Multi-Media Service

Leading advertisers on spot TV, millions of dollars

		1991	1990	% change
1.	Procter & Gamble Co.	$283.7	$303.2	-6.4%
2.	PepsiCo	261.4	284.6	-8.2
3.	Philip Morris Cos.	206.2	221.2	-6.8
4.	General Mills	201.0	191.5	5.0
5.	McDonald's Corp.	149.1	146.0	2.1
6.	Toyota Motor Sales USA	123.9	117.6	5.4
7.	General Motors Corp.	109.9	136.5	-19.5
8.	Anheuser-Busch Cos.	92.4	91.6	0.9
9.	Nissan Motor Corp. USA	85.2	108.2	-21.3
10.	Unilever U.S.	84.3	64.5	30.7
11.	Ford Motor Co.	78.4	54.3	44.4
12.	Walt Disney Co.	71.9	86.2	-16.6
13.	Kellogg Co.	71.4	44.6	60.1
14.	Time Warner	68.8	81.8	-15.9
15.	Chrysler Corp.	68.1	56.8	19.9
16.	American Home Products Corp.	66.4	46.9	41.6
17.	Grand Metropolitan	64.4	58.8	9.5
18.	Nestle Foods Corp.	63.9	50.5	26.5
19.	Coca-Cola Co.	62.1	75.8	-18.1
20.	AT&T Co.	61.7	69.0	-10.6
21.	American Stores Co.	56.2	49.1	14.5
22.	Circuit City Stores	54.2	50.3	7.8
23.	Adolph Coors Co.	53.7	53.6	0.2
24.	Dayton-Hudson Corp.	52.5	49.0	7.1
25.	Hasbro Inc.	52.5	52.7	-0.4
26.	Imasco USA (Hardee's, Roy Rogers)	52.3	49.1	6.5
27.	R.H. Macy & Co.	44.4	13.5	228.9
28.	Sony Corp.	40.0	42.9	-6.8
29.	Foodmaker Inc. (Jack In The Box, Chi-Chi's)	39.6	37.3	6.2
30.	Wendy's International	39.5	37.1	6.5
	Total spot TV spending	$8,751.2	$9,293.3	-7.8%

Source: LNA/Arbitron Multi-Media Service

Leading advertisers on cable TV, millions of dollars

		1991	1990	% change
1.	Procter & Gamble Co.	$67.8	$57.9	17.1%
2.	General Motors Corp.	32.4	26.0	24.6
3.	General Mills	31.8	27.4	16.1
4.	Anheuser-Busch Cos.	31.4	26.8	17.2
5.	Time Warner	29.3	50.9	-42.4
6.	Philip Morris Cos.	24.1	26.6	-9.4
7.	Sears, Roebuck & Co.	20.3	19.8	2.5
8.	AT&T Co.	19.3	15.3	26.1
9.	Eastman Kodak Co.	19.1	12.6	51.6
10.	American Home Products Corp.	19.1	10.8	76.9
11.	RJR Nabisco	17.8	21.7	-18.0
12.	Mars Inc.	16.6	10.4	59.6
13.	McDonald's Corp.	16.2	8.8	84.1
14.	Hasbro Inc.	15.6	7.8	100.0
15.	PepsiCo	15.1	13.1	15.2
16.	Ford Motor Co.	14.0	9.5	47.4
17.	Wm. Wrigley Jr. Co.	13.9	10.2	36.3
18.	Chrysler Corp.	12.9	9.2	40.2
19.	Levi Strauss & Co.	12.5	12.7	-1.6
20.	Grand Metropolitan	11.4	10.3	10.7
21.	Ralston Purina Co.	10.7	7.6	40.8
22.	Nestle Foods Corp.	10.4	8.4	25.0
23.	Kellogg Co.	9.5	3.6	163.9
24.	Johnson & Johnson	9.5	8.3	14.5
25.	Clorox Co.	9.0	10.8	-16.7
26.	Nintendo of America	8.9	5.8	53.4
27.	Sony Corp.	8.4	9.7	-13.4
28.	Toyota Motor Sales USA	8.1	5.8	39.7
29.	Coca-Cola Co.	8.1	2.9	179.3
30.	Unilever U.S.	8.1	6.7	20.9
	Total cable TV spending	$1,211.6	$1,110.2	9.1%

Source: LNA/Arbitron Multi-Media Service

Advertising Age/Electronic Media
Graphic: John J. Scherpaz

Fox tops nets in prime-time ad revenue increases

NEW YORK—Combined prime-time ad spending on the four broadcast networks fell 8.6% to about $6 billion in 1991, according to Nielsen Monitor-Plus, a new ad spending data service from Nielsen Home Services.

Unlike Arbitron Co.'s MediaWatch, which reports network totals only for the Big 3 networks, Monitor-Plus includes Fox Broadcasting Co., providing the first glimpse of how the fledgling network is competing with the Big 3.

In 1991, Fox was the only network to increase prime-time ad revenues, rising 15% to $606.7 million. Its share of the four-network prime-time pie grew more than 2 percentage points to 10.1% in 1991.

NBC suffered the greatest share loss, losing 3.5 percentage points and dropping to a 32.7% share of prime-time ad revenues.

Both ABC and CBS saw their shares rise slightly: ABC increased 0.8 percentage points to a 31.6% share, while CBS rose 0.7 percentage points to a 25.7% share. □

Network ad revenues

Prime-time ad revenues of the four major networks (in millions).

	1990	1991	% chg
NBC	$2,392.0	$1,972.6	−17.5
ABC	$2,030.3	$1,904.5	−6.2
CBS	$1,650.3	$1,551.8	−6.0
Fox	$527.5	$606.7	15.0
Total	**$6,600.1**	**$6,035.6**	**−8.6**

Source: Nielsen Monitor-Plus Network Expenditure Analysis

Top 5 prime-time advertisers

The top prime-time TV advertisers on the four major networks. Figures are in millions. Percentages represent each network's share of total.

Advertiser	Total	ABC	CBS	NBC	Fox
General Motors	**$363.2**	$106.9 (29.4%)	$90.1 (24.8%)	$142.5 (39.2%)	$23.8 (6.5%)
Procter & Gamble	**$253.3**	$49.6 (19.6%)	$84.2 (33.2%)	$90.6 (35.8%)	$28.8 (11.4%)
Philip Morris	**$238.2**	$75.6 (31.7%)	$48.6 (20.4%)	$88.8 (37.3%)	$25.2 (10.6%)
Johnson & Johnson	**$190.9**	$44.8 (23.5%)	$44.0 (23.0%)	$82.3 (43.1%)	$19.9 (10.4%)
PepsiCo	**$190.9**	$61.8 (32.3%)	$33.0 (17.3%)	$73.7 (38.6%)	$22.5 (11.8%)

Source: Nielsen Monitor-Plus Network Expenditure Analysis

MEDIA MIX

News briefs in print, electronic and alternative media.

Memphis revisited. Thames Television, London, has filed a petition in Criminal Court in Memphis, Tenn., seeking access to Shelby County records from the trial of assassin James Earl Ray for a documentary-style recreation of the trial. The program would be filmed in Memphis next year, the 25th anniversary of Mr. Ray's murder of the Rev. Martin Luther King Jr. in Memphis.

Subscriber as king. *Golf Illustrated* in July will create an unusually influential 12-person subscriber panel to help editors keep in touch with readers. Panel members will get advance copies of stories and artwork slated to run and be asked for their input. They will also travel once a year to the magazine's Phoenix, Ariz., headquarters to participate in long-range editorial planning sessions, and their names will appear on the masthead. VP International bought *Golf Illustrated* last September from the now-defunct Family Media.

Running overseas. Rodale Press, Emmaus, Pa., will test the international market for *Runner's World* with one-time Scandinavian and German editions. The Scandinavian edition will be published in Swedish, Norwegian, Danish and Finnish this month as a joint venture with Helsinki's United Magazines. The German edition, a joint venture with Axel Springer Verlag, will be published in June.

Healthier spin. Benetton will run a special eight-page insert in the July issue of *Spin*. The booklet, titled "Guide to Safer Sex," contains guidelines to healthier sexual habits for the 1990s. *Spin* will also carry a letter readers can mail to President Bush urging intensified federal efforts against AIDS. All proceeds will go to Gay Men's Health Crisis.

MEDIA WORKS

Joe Mandese coordinates MediaWorks.

NEWSSTAND

Advertising opportunities in print.

TV Guide, New York, "Guide to the 1992 Summer Olympics" special editorial supplement, July 25 isssue; ad close: May 15. Color page: $65,365.

ABA Journal, Chicago, "Automated management" special editorial section, July issue; ad close: May 18. B&w page: $12,050; color page: $15,665.

The Advocate, Los Angeles, "Gay pride" special edition, June 16 issue; ad close: May 20. B&w page: $2,888; color page: $4,159.

Seventeen, New York, "Back to school/-fall fashion" special ad section, August issue; ad close: May 20. B&w page: $31,270; color page: $45,320.

Spy, New York, "Music Awards" special ad section, July/August issue; ad close: May 20. B&w page: $7,188; color page: $10,783.

Mas, New York, "Olympics" special editorial supplement, July/August issue; ad close: May 21. B&w page: $17,200; color: $21,500.

Essence, New York, "Back to school" special editorial section, August issue; ad close: May 22. B&w page: $18,955; color page: $28,450.

GQ, New York, "Order in" special ad section, August issue; ad close: May 22. B&w page: $3,043.

Outside, New York, "Summer Olympics preview" special ad section, August issue; ad close: May 22. B&w page: $15,700; color page: $22,695. □

UNDER 40 –

Half the Top 200 spent the same or less in 1991; network TV and newspapers feel effects the most.

THE TOP 200 BRANDS

AT&T tops spending despite Ford rush

Elite brands spend $15 billion, a bit down from '90

By R. Craig Endicott

AT&T telephone services rang up heavy spending for its long-distance services in the fourth quarter to retake the lead as the nation's heaviest advertised brand for full-year 1991.

The leading tally of $388.9 million was 16.2% less than AT&T's spending in the prior year but just enough to squeeze past McDonald's restaurants' $387.3 million, down 9.2%.

After finishing second to AT&T for 1990, McDonald's ruled the Top 200 Brands chart each quarter of 1991, based on cumulative spending in nine-media provided by LNA/Arbitron Multi-Media Service.

But AT&T invested $130 million in the fourth quarter, compared with McDonald's $100.5 million. AT&T had cut its long-distance advertising and campaigns for overseas service through the first three quarters, but saturated the market with $82.3 million touting those services in the last quarter, up 25.5% from 1990 levels.

Flat to declining expenditures characterized spending trends among half of the Top 200, a group collectively spending $15.1 billion in media, down 1.2% but far better than the 8.1% slide to $37.8 billion for all advertisers.

Ninety-two of the 200 brands reported spending declines.

Spending by the 200 in two of the big four media, network TV and newspapers, dropped 6.1% and 6.8%, respectively, while outlays in spot TV and magazines grew 0.8% and 3.4%.

However, a sign of a break in recession-depressed spending patterns began to surface at yearend. Final-quarter spending fell compared to 1990, but the rate of decline was smaller than the year-to-year slippage in the third quarter. Spending by the Top 10 brands dipped 3.3% in 1991, but grew 7.7% in the final quarter.

The automotive industry largely sets the ad pace for the 200. In 1991, the 32 auto brands recorded a category-leading $3.6 billion, off 3.3%. The 25-brand retail category was a distant second in ad volume at $1.7 billion, down 8.5%.

Detroit reasserted itself in 1991 after nearly being outspent by the Japanese automakers in the prior year. Ad volume for the 15 U.S. brands reached $1.9 billion, up 1.4%. The category's 11 Japanese brands dipped 8.4% to $1.3 billion as seven of them declined.

Leading the auto category was Ford cars, trucks and vans, No. 3 brand overall and up from No. 5 a year ago on the strength of its 9.2% growth in advertising to $373.1 million. The No. 10 brand, Dodge cars, trucks and vans, vaulted from No. 25 in 1990, based on ad volume growth of 36.3% to $174.6 million.

Among the 25 retail brands, 15 pared their 1991 advertising from prior-year levels. The group's brand leader, No. 5 Sears, Roebuck & Co. stores, drew $330.7 million in support, down 20.5%. Poor performance by retailers led to the 6.8% plunge in the 200's newspaper volume to $1.7 billion. No. 20 R.H. Macy & Co. stores led all newspaper spenders with $103.1 million, down 20.2%. Sears' newspaper volume fell 38.3% to $80.7 million.

Kellogg breakfast foods bought $225.8 million in commercial time, down 21.7%, but well ahead of AT&T and McDonald's, each tied for second at $172 million, down 23% and 25.6%, respectively. With such declines at the top, no wonder network TV dropped 6.1% to $5.8 billion for the 200. The 200 dominate all network TV spending, claiming 61% of the total.

McDonald's far outdistanced any other brand in spot TV spending, with $149 million, up 2.1%. Spot TV was up 0.8% to $3.1 billion for the 200, accounting for 35% of all spot TV advertising.

Ford led magazine spending with $108.5 million, up 1.5%. The 200 bought $2.1 billion in magazine space, up 3.4%.

Kellogg paced syndication spending with $43.7 million, up 16.5%. Like network TV, syndication is the province of the 200, which spent $979.2 million in syndication, or 53% of all syndication advertising.

Looking at just the Top 200 brands' parent companies, GM put $1.03 billion behind eight autos, well ahead of Philip Morris Cos.' $719.9 million backing seven brands.

Procter & Gamble Co. backed its eight brands on the Top 200 chart with $360.1 million, only 10th among brand parents, but P&G remained the nation's largest advertiser at $1.17 billion, just ahead of Philip Morris' $1.11 billion.

Only $33 million separated the two companies in 1990, with P&G on top.

The race by these two marketing behemoths, boiling down to which would cut ad spending the least, was a carbon copy of the negative race staged by the two top brands. In this regard, P&G won out, declining only 5.6% to PM's 7.8%. □

Top 10 companies by 1991 ad spending

Rank	Company	Total measured ad spending 1991	1990	% chg	Ad spending by brands in 200 1991	1990	% chg	Number of brands
1	Procter & Gamble Co.	$1,166.5	$1,236.1	-5.6	$360.1	$389.0	-7.4	8
2	Philip Morris Cos.	1,110.4	1,203.7	-7.8	719.9	729.0	-1.2	7
3	General Motors Corp.	1,056.5	1,101.2	-4.1	1,032.1	1,073.1	-3.8	8
4	PepsiCo	542.0	547.2	-0.9	470.2	462.6	1.7	4
5	Ford Motor Co.	517.7	470.6	10.0	491.6	436.6	12.6	3
6	Sears, Roebuck & Co.	462.3	591.1	-21.8	421.6	534.2	-21.1	3
7	Toyota Motor Corp.	442.5	406.5	8.8	441.3	405.2	8.9	2
8	General Mills	419.1	406.6	3.1	207.3	221.9	-6.6	4
9	Chrysler Corp.	414.8	412.8	0.5	388.6	376.5	3.2	4
10	AT&T Co.	391.7	506.8	-22.7	388.9	463.8	-16.2	1

Notes: Dollars are in millions. Source: LNA/Arbitron Multi-Media Service

Top 10 categories among top 200 brands in 1991 spending

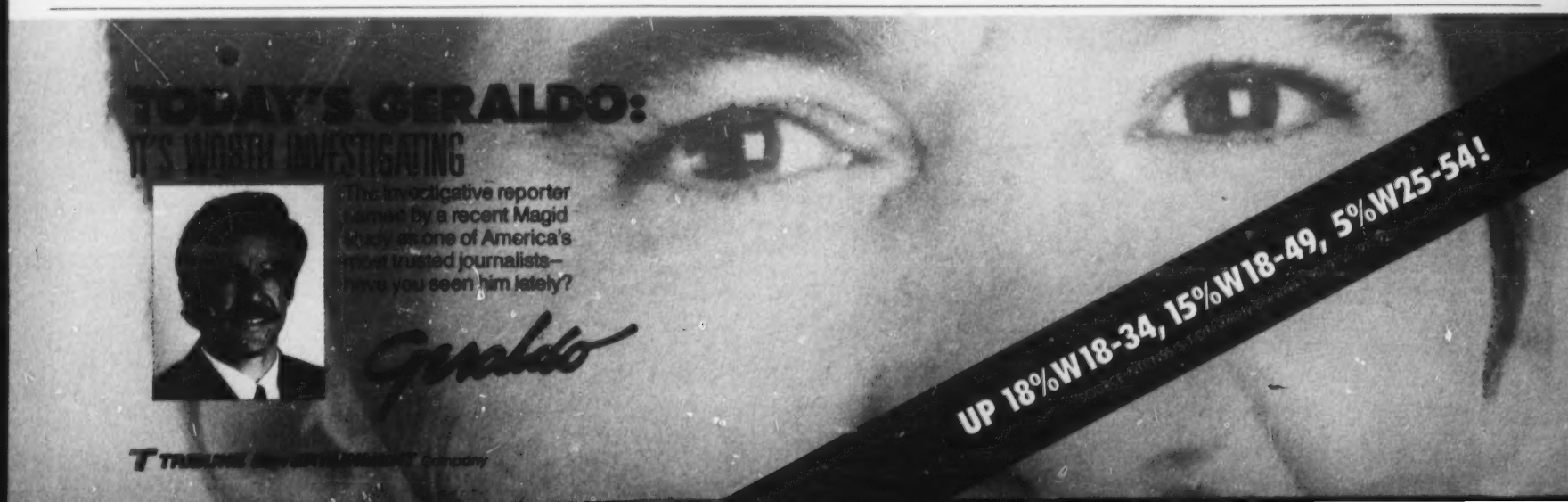
Rank	Category	Measured ad spending 1991	1990	% chg	Ad spending by media Print	Broadcast	Outdoor	Number of brands
1	Automotive	$3,587.7	$3,711.8	-3.3	$1,056.0	$2,515.4	$16.3	32
2	Retail	1,740.8	1,902.4	-8.5	834.2	902.7	3.8	25
3	Food	1,413.4	1,517.7	-6.9	168.9	1,243.2	1.3	19
4	Restaurants	1,224.3	1,258.6	-2.7	9.1	1,200.9	14.3	11
5	Entertainment & media	1,064.8	1,060.3	0.4	348.4	710.6	5.9	13
6	Telephone	632.1	653.5	-3.3	109.8	519.8	2.5	5
7	Beverages	629.1	718.6	-12.5	34.5	591.3	3.3	10
8	Drugs & remedies	553.2	423.6	30.6	49.1	504.1	0.0	11
9	Beer, wine, liquor	552.5	470.0	17.6	26.0	509.7	16.9	3
10	Toiletries & cosmetics	478.6	460.2	4.0	154.5	324.0	0.0	11

Notes: Dollars are in millions. Totals include only brands from within the Top 200. Source: LNA/Arbitron Multi-Media Service

Measured media spending for 1991

Rank	Media	All measured brands 1991	1990	% chg	Top 200 brands 1991	1990	% chg
1	Network TV	$9,456.2	$10,132.3	-6.7	$5,770.7	$6,147.3	-6.1
2	Spot TV	8,751.2	9,293.3	-5.8	3,130.5	3,104.2	0.8
3	Newspaper*	7,631.3	9,679.1	-21.2	1,749.4	1,877.6	-6.8
4	Magazine	6,515.2	6,737.7	-3.3	2,066.1	1,997.9	3.4
5	Syndicated TV	1,850.4	1,587.6	16.6	979.2	833.0	17.5
6	Cable TV networks	1,211.6	1,110.2	9.1	512.7	431.0	19.0
7	National spot radio	1,141.6	1,143.3	-0.1	356.5	347.7	2.5
8	Outdoor	684.0	688.8	-0.7	197.1	161.2	22.2
9	Network radio	578.7	766.4	NA	304.2	349.6	NA
	Subtotal print	14,146.5	16,416.7	-13.8	3,815.5	3,875.5	-1.5
	Subtotal broadcast	22,989.7	24,032.9	-4.3	11,053.7	11,212.8	-1.4
	Total	37,820.2	41,138.5	-8.1	15,066.3	15,249.6	-1.2

Notes: Dollars are in millions. * includes newspaper-distributed Sunday magazines. Source: LNA/Arbitron Multi-Media Service. AA charts: Kevin Brown


TODAY'S GERALDO:
IT'S WORTH INVESTIGATING
The investigative reporter named by a recent Magid study as one of America's most trusted journalists—have you seen him lately?
Geraldo
UP 18%W18-34, 15%W18-49, 5%W25-54!

Top 200 mega-brands by 1991 ad spending

Rank '91	Rank '90	Brand, product, service & parent company	Total measured ad spending 1991	1990	% chg
1	1	**AT&T telephone services,** AT&T Co.	$388,926.9	$463,848.8	-16.2
2	2	**McDonald's restaurants,** McDonald's Corp.	387,326.5	426,422.9	-9.2
3	5	**Ford car, trucks & vans,** Ford Motor Co.	373,052.4	341,701.7	9.2
4	4	**Kellogg breakfast foods,** Kellogg Co.	351,109.1	381,149.0	-7.9
5	3	**Sears stores,** Sears, Roebuck & Co.	330,665.7	416,103.5	-20.5
6	7	**Toyota cars & trucks,** Toyota Motor Corp.	315,274.4	307,304.8	2.6
7	6	**Chevrolet cars & trucks,** General Motors Corp.	268,239.0	307,711.2	-12.8
8	13	**Miller beer,** Philip Morris Cos.	233,719.4	181,398.1	28.8
9	12	**Budweiser beer,** Anheuser-Busch Cos.	212,145.6	184,074.2	15.3
10	25	**Dodge cars, trucks & vans,** Chrysler Corp.	174,601.4	128,138.7	36.3
11	8	**Nissan cars & trucks,** Nissan Motor Co.	163,791.2	235,909.8	-30.6
12	10	**Kmart stores,** Kmart Corp.	159,264.6	193,215.9	-17.6
13	9	**General Motors & GMC cars & trucks,** General Motors Corp.	158,751.3	204,359.2	-22.3
14	14	**Mazda cars & trucks,** Mazda Motor Corp.	156,773.9	180,981.9	-13.4
15	11	**Kraft foods,** Philip Morris Cos.	156,128.4	187,700.2	-16.8
16	17	**Buick cars,** General Motors Corp.	155,213.7	158,695.6	-2.2
17	30	**Disney shows, cable TV, parks, video,** Walt Disney Co.	151,926.1	115,355.7	31.7
18	16	**Coca-Cola & Diet Coke beverages,** Coca-Cola Co.	149,904.9	159,647.3	-6.1
19	23	**Tylenol remedies,** Johnson & Johnson	148,168.5	134,288.8	10.3
20	20	**Macy's stores,** R.H. Macy & Co.	147,415.4	144,850.7	1.8
21	24	**Honda cars, motorcycles,** Honda Motor Co.	142,152.0	130,132.0	9.2
22	18	**Pepsi & Diet Pepsi beverages,** PepsiCo	139,263.6	155,905.7	-10.7
23	21	**American Express credit card svcs,** American Express Co.	136,005.3	142,307.2	-4.4
24	15	**Burger King restaurants,** Grand Metropolitan	133,589.1	177,677.8	-24.8
25	46	**Circuit City stereo store,** Circuit City Stores	128,156.7	91,796.6	39.6
26	34	**Columbia movies, records & tapes,** Sony Corp.	127,717.9	108,134.3	18.1
27	41	**Lexus cars,** Toyota Motor Corp.	125,981.8	97,886.2	28.7
28	27	**Oldsmobile cars,** General Motors Corp.	124,936.0	121,891.3	2.5
29	44	**Delta Air Lines,** Delta Air Lines	123,260.5	94,874.9	29.9
30	28	**KFC restaurants,** PepsiCo	119,872.7	118,433.0	1.2
31	19	**Chrysler cars,** Chrysler Corp.	119,727.2	151,573.4	-21.0
32	36	**Pizza Hut restaurants,** PepsiCo	118,434.5	107,000.6	10.7
33	33	**Post cereals,** Philip Morris Cos.	116,943.6	110,997.5	5.4
34	26	**Warner Bros. movies, music, video,** Time Warner	113,651.5	123,277.8	-7.8
35	29	**Wrigley's gums,** Wm. Wrigley Jr. Co.	110,533.8	117,250.5	-5.7
36	39	**American Airlines,** AMR Corp.	109,285.9	102,685.5	6.4
37	37	**Coors beer,** Adolph Coors Co.	106,673.1	104,484.7	2.1
38	31	**Pontiac cars & vans,** General Motors Corp.	102,398.2	113,705.9	-9.9
39	48	**Paramount pictures, video,** Paramount Communications	101,643.2	89,860.6	13.1
40	53	**Marlboro cigarettes,** Philip Morris Cos.	101,417.4	85,375.6	18.8
41	64	**Nike sporting footwear & sportswear,** Nike Inc.	101,093.6	78,920.1	28.1
42	40	**Acura cars,** Honda Motor Co.	99,954.7	100,683.7	-0.7
43	22	**J.C. Penney's stores,** J.C. Penney Co.	98,738.5	140,837.0	-29.9
44	47	**Wendy's restaurants,** Wendy's International	94,411.8	91,077.9	3.7
45	62	**20th Century-Fox movies & video,** News Corp.	94,232.5	79,705.4	18.2
46	108	**MCI telephone services,** MCI Communications Corp.	92,822.5	52,086.8	78.2
47	58	**Taco Bell restaurants,** PepsiCo	92,867.5	81,228.7	14.1
48	32	**Universal City Studios,** Matsushita Electric Industrial Co.	91,892.3	111,286.9	-17.4
49	50	**Mercedes-Benz cars,** Daimler-Benz	88,900.9	88,380.8	0.6
50	193	**Saturn cars,** General Motors Corp.	88,601.0	31,591.1	180.5
51	49	**American dairy promotions, U.S. dairy farmers**	87,329.7	88,645.4	-1.5
52	43	**Hyundai passenger cars & computers,** Hyundai Group	84,054.4	96,575.0	-13.0
53	79	**Mercury cars,** Ford Motor Co.	83,019.7	65,001.5	27.7
54	60	**Kodak cameras, film & copiers,** Eastman Kodak Co.	81,321.0	80,921.4	0.5
55	52	**Touchstone films & home video,** Walt Disney Co.	81,161.8	85,948.1	-5.6
56	59	**Ultra Slim-Fast diet & food,** Slim-Fast Food Co.	77,555.7	81,183.1	-4.5
57	92	**Wal-Mart stores,** Wal-Mart Stores	75,943.3	59,486.6	27.7
58	72	**Cadillac cars,** General Motors Corp.	75,174.1	68,088.0	10.4
59	67	**Domino's Pizza,** Domino's Pizza	74,991.3	69,903.5	7.3
60	70	**Mitsubishi cars, trucks & electonics,** Mitsubishi Motors Co.	74,878.0	68,696.8	9.0
61	35	**Nabisco cereal, cookies & snacks,** RJR Nabisco	74,695.6	107,857.3	-30.7
62	65	**L'Oreal toiletries,** Nestle SA	74,223.0	72,944.1	1.8
63	54	**United Airlines,** UAL Corp.	70,963.4	83,766.2	-15.3
64	66	**Prudential insurance & real estate,** Prudential Insurance Co.	69,631.2	70,479.1	-1.2
65	57	**Cheerios cereal,** General Mills	68,059.8	81,770.5	-16.8
66	56	**Citibank credit card services,** Citicorp	67,891.3	82,583.8	-17.8
67	83	**Advil & Coadvil pain reliever,** American Home Products Corp.	67,864.0	63,371.0	7.1
68	55	**Hallmark cards & gifts,** Hallmark Cards	67,856.2	82,822.4	-18.1
69	42	**Folgers coffees,** Procter & Gamble Co.	67,752.8	96,876.2	-30.1
70	80	**BMW cars,** BMW AG	67,631.3	64,667.7	4.6
71	96	**HBO cable TV,** Time Warner	67,510.6	54,503.8	23.9
72	94	**Franklin Mint collections,** American Protection Industries	66,609.7	55,922.9	19.1
73	73	**US Sprint telephone services,** United Telecommunications	66,265.0	67,467.3	-1.8
74	106	**Lucky food stores,** American Stores Co.	65,407.9	52,400.3	24.8
75	89	**Red Lobster restaurants,** General Mills	64,333.9	60,796.5	5.8
76	76	**Tri Star pictures,** Sony Corp.	64,028.2	66,084.4	-3.1
77	81	**Canon cameras, electronics, copiers,** Canon Inc.	63,696.9	63,635.9	0.1
78	38	**Montgomery Ward stores,** Montgomery Ward & Co.	63,411.8	102,869.7	-38.4
79	112	**Mattel toys,** Mattel Inc.	63,145.4	51,253.4	23.2
80	61	**Subaru passenger cars,** Subaru of America	62,416.0	80,457.5	-22.4
81	153	**Reebok sporting footwear,** Reebok International	61,820.7	38,488.7	60.6
82	85	**Cover Girl cosmetics,** Procter & Gamble Co.	60,064.2	63,163.4	-4.9
83	68	**Isuzu cars & trucks,** Isuzu Ltd.	58,763.9	69,177.9	-15.1
84	74	**Geo cars & vans,** General Motors Corp.	58,748.7	67,098.4	-12.4
85	97	**Little Caesar Pizza,** Little Caesar Enterprises	58,590.1	54,432.9	7.6
86	93	**Broadway stores,** Carter Hawley Hale Stores	58,408.1	56,106.3	4.1
87	103	**Jeep trucks & vans,** Chrysler Corp.	58,171.7	52,849.5	10.1
88	120	**Kleenex diapers, tissues,** Kimberly-Clark Corp.	56,512.0	47,144.7	19.9
89	101	**Campbell soups,** Campbell Soup Co.	56,248.3	53,267.6	5.6
90	139	**Sony electronics, video,** Sony Corp.	54,932.1	41,885.9	31.1
91	75	**May Co. stores,** May Department Stores Co.	54,479.9	66,750.4	-18.4
92	110	**UPS freight service,** United Parcel Service	53,251.5	51,927.4	2.5
93	69	**Goodyear tires & stores,** Goodyear Tire & Rubber Co.	53,027.1	69,099.2	-23.3
94	143	**Johnson & Johnson lenses, baby products,** Johnson & Johnson	52,402.5	41,384.1	26.6
95	98	**Visa credit card services,** Visa International	52,083.7	54,376.6	-4.2
96	105	**Midas Muffler shops,** Whitman Corp.	51,904.0	52,407.5	-1.0
97	63	**Time-Life books, recordings,** Time Warner	51,879.2	79,568.5	-34.8
98	179	**Vons markets,** Vons Cos.	50,731.9	34,211.4	48.3
99	121	**Pillsbury foods,** Grand Metropolitan	50,587.2	47,029.3	7.6
100	100	**Target stores,** Dayton Hudson Corp.	50,209.2	53,298.0	-5.8
101	146	**GTE telephone svcs,** GTE Corp.	$50,085.8	$40,578.6	23.4
102	186	**Purina pet foods,** Ralston Purina Co.	50,040.2	33,731.9	48.3
103	86	**U.S. Army,** U.S. Government	49,829.9	62,808.5	-20.7
104	135	**U.S. Postal Service,** U.S. Government	49,170.9	42,525.0	15.6
105	125	**Johnson's air freshener, cleaners,** S.C. Johnson & Son	49,151.3	45,689.9	7.6
106	132	**Hardee's restaurants,** Imasco Ltd.	49,103.1	43,211.0	13.6
107	77	**IBM computers,** IBM Corp.	48,889.4	65,909.7	-25.8
108	115	**Discover credit card service,** Sears, Roebuck & Co.	48,618.8	49,846.4	-2.5
109	177	**Nintendo games,** Nintendo Co.	48,470.9	34,615.4	40.0
110	111	**Radio Shack electronics store,** Tandy Corp.	48,140.1	51,906.2	-7.3
111	90	**Orion pictures & videos,** Orion Pictures Corp.	48,010.6	60,617.4	-20.8
112	51	**Infiniti cars,** Nissan Motor Co.	47,697.7	86,037.9	-44.6
113	84	**Du Pont fabric, coatings & other products,** Du Pont Co.	47,309.1	63,266.5	-25.2
114	203	**Dr Pepper & Sugar Free Dr Pepper,** Dr Pepper/Seven-Up Cos.	46,953.7	30,667.6	53.1
115	124	**Alka-Seltzer remedies,** Bayer AG	46,010.0	46,456.4	-1.0
116	82	**Volkswagen cars,** Volkswagen AG	45,975.4	63,434.0	-27.5
117	45	**Maxwell House coffees,** Philip Morris Cos.	45,586.5	92,749.2	-50.8
118	368	**Winston cigarettes,** RJR Nabisco	45,329.5	18,728.9	142.0
119	151	**Blue Cross & Blue Shield insurance,** Blue Cross & Blue Shield	44,933.9	39,092.4	14.9
120	131	**Crest toothpaste,** Procter & Gamble Co.	44,784.0	43,810.0	2.2
121	238	**Federal Express air cargo,** Federal Express Corp.	44,685.7	27,062.1	65.1
122	166	**Hasbro toys,** Hasbro	44,530.8	36,319.4	22.6
123	298	**Hooked on Phonics home study,** Gateway Educational Products	44,519.9	22,574.1	97.2
124	216	**Eveready batteries & flashlights,** Ralston Purina Co.	44,512.4	29,006.2	53.5
125	119	**Nutri/System weight loss centers,** Nutri/System Inc.	44,353.2	47,864.3	-7.3
126	160	**Hertz rent-a-car,** Park Ridge Corp.	44,189.2	37,295.7	18.5
127	107	**Newport cigarettes,** Loews Corp.	43,602.0	52,390.2	-16.8
128	321	**Lipton foods,** Unilever NV	43,406.1	21,197.9	104.8
129	163	**Clorox cleaners & laundry products,** Clorox Co.	42,634.1	37,131.7	14.8
130	91	**Levi's sportswear,** Levi Strauss & Co.	42,626.8	60,096.2	-29.1
131	162	**Betty Crocker foods,** General Mills	42,415.7	37,201.3	14.0
132	NA	**Monistat 7 vaginal yeast cream,** Johnson & Johnson	42,307.9	0.0	NA
133	71	**Allstate insurance,** Sears, Roebuck & Co.	42,272.5	68,208.9	-38.0
134	136	**Tropicana juices,** Seagram Co.	42,039.5	42,181.0	-0.3
135	95	**Clairol haircare products,** Bristol-Myers Squibb Co.	41,971.5	54,827.2	-23.4
136	140	**Mervyn's stores,** Dayton Hudson Corp.	41,666.1	41,735.7	-0.2
137	88	**Tide laundry products,** Procter & Gamble Co.	41,419.9	62,009.2	-33.2
138	156	**Hanes hosiery & underclothing,** Sara Lee Corp.	41,243.3	37,938.4	8.7
139	138	**Tyco games & toys,** Tyco Toys	41,181.5	42,126.4	-2.2
140	239	**USAir,** USAir Group	40,856.5	27,039.1	51.1
141	142	**Oil of Olay toiletries,** Procter & Gamble Co.	40,833.9	41,504.4	-1.6
142	109	**Quaker cereal & snacks,** Quaker Oats Co.	40,127.2	52,014.6	-22.9
143	204	**Jenny Craig weight loss centers,** Jenny Craig	39,824.6	30,498.8	30.6
144	191	**Milton Bradley games & toys,** Hasbro	39,793.5	32,229.8	23.5
145	159	**Texaco gasoline & oil,** Texaco	39,627.9	37,419.3	5.9
146	150	**NBC TV,** General Electric Co.	39,626.2	39,466.8	0.4
147	155	**Lysol cleaners,** Eastman Kodak Co.	39,557.4	37,987.3	4.1
148	102	**True Value stores,** Cotter & Co.	39,453.8	53,217.2	-25.9
149	171	**Gillette shaving products,** Gillette Co.	39,411.2	35,855.8	9.9
150	114	**Duracell batteries,** Duracell Inc.	39,026.3	50,094.4	-22.1
151	426	**Old Spice toiletries,** Procter & Gamble Co.	38,760.1	16,167.0	139.7
152	220	**Anacin pain reliever,** American Home Products Corp.	38,093.0	28,691.4	32.8
153	148	**7UP & Diet 7UP beverages,** Dr Pepper/Seven-Up Cos.	37,750.2	40,435.2	-6.6
154	147	**MasterCard credit card services,** MasterCard International	36,963.9	40,498.4	-8.7
155	104	**GE electronics, appliances,** General Electric Co.	36,890.2	52,805.8	-30.1
156	339	**Bradford Exchange collectibles,** Bradford Exchange	36,869.3	20,699.7	78.1
157	113	**Norelco shavers,** Philips NV	36,519.1	50,212.9	-27.3
158	175	**State Farm insurance,** Starm Farm Auto. Ins. Co. of America	36,416.8	34,913.6	4.3
159	133	**Continental Airlines,** Continental Airlines Holdings	36,197.6	43,065.6	-15.9
160	129	**Plymouth cars & trucks,** Chrysler Corp.	36,144.9	43,907.4	-17.7
161	185	**Volvo cars,** Volvo AB	36,133.1	33,734.6	7.1
162	327	**Robitussin cough products,** American Home Products Corp.	36,097.9	20,990.1	72.0
163	189	**De Beers jewelry,** De Beers Consolidated Mines	35,975.3	32,432.1	10.9
164	210	**Lincoln cars,** Ford Motor Co.	35,575.1	29,906.3	19.0
165	141	**Toys "R" Us stores,** Toys "R" Us Inc.	35,382.6	41,633.4	-15.0
166	134	**Nestle foods,** Nestle SA	35,092.2	42,942.8	-18.3
167	170	**Head & Shoulders haircare products,** Procter & Gamble Co.	34,603.4	35,915.1	-3.7
168	248	**Home Depot stores,** Home Depot Inc.	34,583.6	26,458.2	30.7
169	212	**Pacific Bell telephone services,** Pacific Telesis	34,001.6	29,483.4	15.3
170	200	**Camel cigarettes,** RJR Nabisco	33,818.4	30,853.1	9.6
171	275	**Ralph's food stores,** Ralph's Grocery Co.	33,483.5	24,327.9	37.6
172	99	**Stouffer frozen entrees & hotels,** Nestle SA	33,474.7	53,377.2	-37.3
173	161	**Neutrogena toiletries,** Neutrogena Corp.	33,474.6	37,209.0	-10.0
174	149	**General Foods international coffee,** Philip Morris Cos.	33,402.0	39,767.6	-16.0
175	173	**7-Eleven food stores,** Southland Corp.	33,352.5	35,116.9	-5.0
176	194	**Winn Dixie food stores,** Winn Dixie Stores	33,321.3	31,551.9	5.6
177	213	**Florida citrus,** State of Florida	33,223.5	29,375.9	13.1
178	197	**Sprite & Diet Sprite beverages,** Coca-Cola Co.	33,218.5	31,038.4	7.0
179	NA	**Gyne-Lotrimin cream,** Schering-Plough Corp.	32,945.4	0.0	NA
180	172	**Excedrin pain relievers,** Bristol-Myers Squibb Co.	32,837.9	35,548.8	-7.6
181	240	**Holiday Inn hotels,** Bass PLC	32,761.5	26,332.6	24.4
182	198	**Jell-O desserts,** Philip Morris Cos.	32,713.8	30,986.6	5.6
183	188	**Abraham & Straus stores,** Federated Department Stores	32,607.6	32,623.0	-0.1
184	137	**Total cereal,** General Mills	32,540.2	42,149.9	-22.8
185	169	**Estee Lauder toiletries,** Estee Lauder Inc.	32,387.4	35,980.0	-10.0
186	118	**Northwest Airlines,** NWA Inc.	32,245.2	48,848.6	-34.0
187	330	**Vaseline creams & lotions,** Unilever NV	32,147.0	20,918.8	53.7
188	130	**Walgreen drugs,** Walgreen Co.	31,966.0	43,812.8	-27.0
189	211	**Nyquil cold products,** Procter & Gamble Co.	31,929.3	29,528.0	8.1
190	122	**Hershey candies, syrup, pudding,** Hershey Foods Corp.	31,913.9	46,552.4	-31.4
191	157	**Lens crafters opticians stores,** U.S. Shoe Corp.	31,595.1	37,654.3	-16.1
192	123	**CBS TV,** CBS Inc.	31,547.2	46,504.4	-32.2
193	333	**Bullock's stores,** R.H. Macy & Co.	31,513.5	20,764.7	51.8
194	494	**Aetna life & casualty insurance,** Aetna Life & Casualty Co.	31,456.0	14,030.3	124.2
195	273	**Publisher's Choice,** National Syndications	31,328.0	24,537.9	27.7
196	233	**Avis rent-a-car,** Avis Inc.	31,163.7	27,359.1	13.9
197	223	**Jack in the Box restaurants,** Foodmaker Inc.	30,975.5	28,409.5	9.0
198	116	**Kroger Co. food stores,** Kroger Co.	30,851.3	49,683.2	-37.9
199	354	**Del Monte fruit & vegetables,** Del Monte Corp.	30,819.1	19,834.0	55.4
200	262	**Revlon toiletries,** Revlon Group	30,419.9	25,260.0	20.4

Notes: Dollars are in thousands. Measured media spending includes magazine; Sunday magazine; newspaper; outdoor; network, spot, syndicated and cable TV; spot and network radio. **Source:** LNA/Arbitron Multi-Media Service. See story on Page 56.

AA chart: Kevin Brown

AmEx plans for big marketing year

By Gary Levin

NEW YORK—American Express Co.'s marketing budget is getting a big boost, before a cost-cutting plan takes effect next year.

Last month, AmEx said its Travel Related Services unit spent $275 million on marketing-related activities for charge cards in the first quarter of 1992. That's more than double the $128 million spent during the same time last year, when the Persian Gulf War severely crimped business travel.

Those expenditures included advertising, promotions, direct marketing, event sponsorships and merchant support, among other "business building" tactics, a spokesman said.

AmEx will continue to spend at the higher rate through yearend. Then, the company expects to start a huge cost-cutting program in the division aimed at saving $500 million to $1 billion in the next three years.

"From a competitive viewpoint, the pressures on TRS from bankcards is intense," AmEx Chairman-CEO James Robinson said at the company's annual meeting. He said spending will remain high, especially in the near future.

"We're willing to sacrifice earnings in the short run in order to make the necessary investments to build the franchise in the long run," Mr. Robinson said.

For their part, Visa USA and MasterCard International executives say their own plans won't change in response to AmEx. Visa has funneled its slightly increased $65 million budget into an extensive Olympics sponsorship program. And MasterCard, in the midst of an agency review, has upped its ad budget 30% to $60 million this year.

Sears, Roebuck & Co.'s Discover Card, a relative newcomer, is expected to maintain its $50 million budget with an eye toward making inroads into the bankcard turf with an aggressive rebate program.

"We've seen our ability to capitalize on what AmEx has been up to," said Jan Soderstrom, Visa senior VP-advertising and promotion. The marketer has hammered AmEx with an aggressive campaign highlighting merchants and events that "don't take American Express."

Last week, Visa and agency BBDO Worldwide started shooting a new TV spot featuring Carnival Cruise Lines.

"Our research has shown big increases in consumer perception," Ms. Soderstrom said. "We don't feel we now need to heavy up [on spending]. The temptation is to step all over them. But we're very happy with the success we've had with our current strategy."

She said Visa planned conservatively for '92, "knowing it was not going to be a blockbuster year in terms of charge volume."

"It's business as usual at MasterCard," said Jim Desrosier, VP-advertising. "We wanted to raise ourself to what we considered to be a competitive level. [The 30% spending hike is] not in response to a particular competitor but the overall higher level of competition in the category."

Six finalists, including incumbent Lintas:New York, are vying for MasterCard's account.

Mr. Desrosier said AmEx's increasing use of 15-second TV spots will lessen the impact of any spending reductions. But he said bankcard competitors historically haven't matched AmEx's budgets.

"When AmEx was spending $120 million-plus a year, no one could keep up with them," he said. "No one could afford to." □

Credit-card ad spending

Media spending in millions of dollars for all cards offered by each marketer.

Card	1990	1991	1992
American Express	$110	$100	$100
MasterCard	$49	$44	$60
Visa	$66	$60	$65
Discover	$50	$50	$50

Source: Leading National Advertisers, company reports, AA estimates

Pol uses ad to reveal retirement

By Jeffrey D. Zbar

U.S. Rep. Larry Smith (D., Fla.) used a 2-minute commercial to announce he won't seek re-election.

In the TV spot, Rep. Smith said: "Washington doesn't work anymore, and the public arena is increasingly frustrating and bitter."

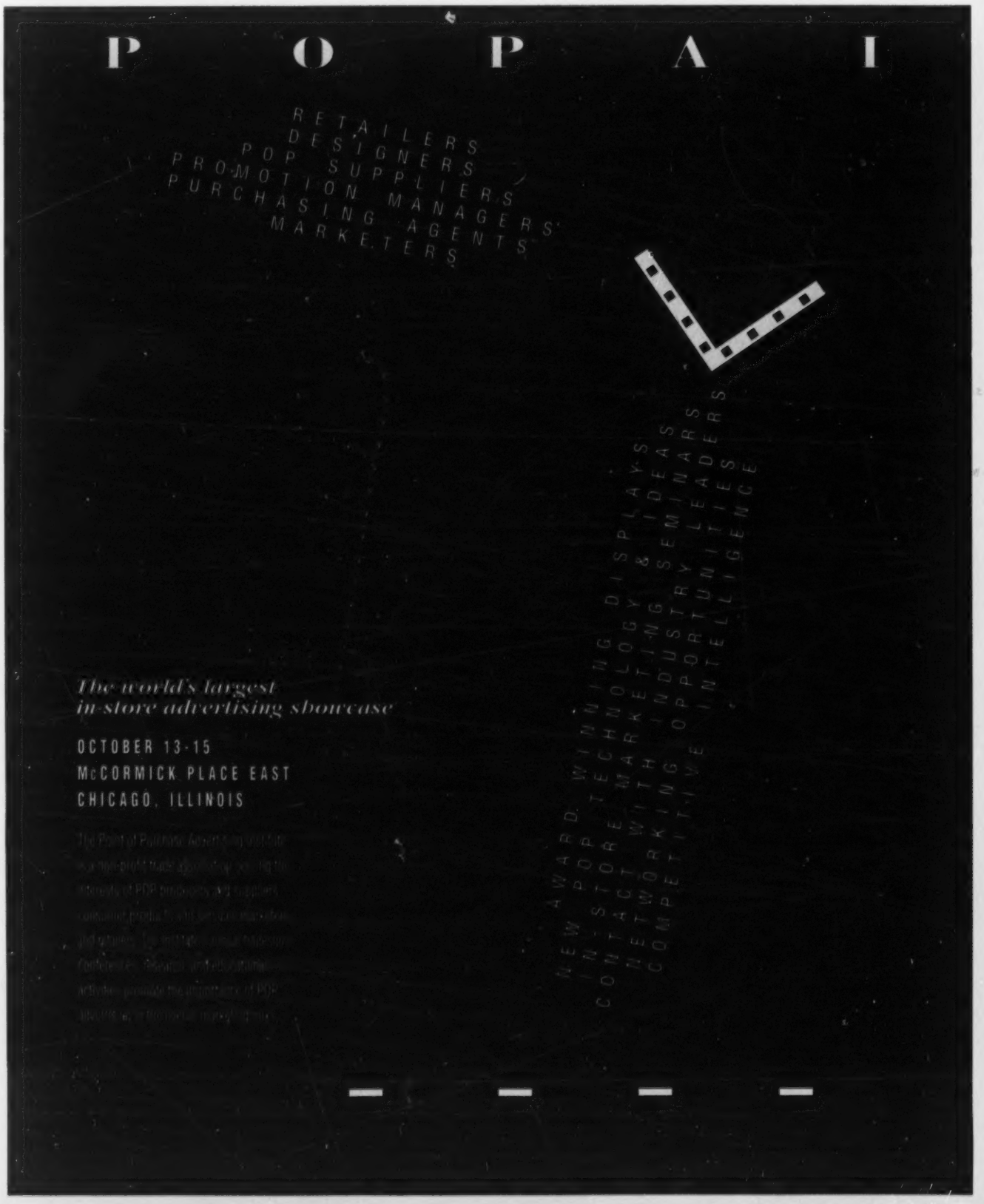
POLITICS ★★★★ 92

Rep. Smith is the subject of a House Ethics Committee and Florida Bar investigation into a $10,000 check swap with a former law partner; he's also been associated with the House bank overdraft scandal.

The five-term congressman spent an estimated $30,000 to $40,000 to place the spot late last month six times on three stations in Dade and Broward counties. Doak, Shrum, Harris, Sherman, Donilon, Arlington, Va., handled.

The stations apparently honored a news embargo not to cover the resignation announcement until after the spot broke during the 5 p.m. newscast.

While the request was unusual, "they bought the time just like any other advertiser," said Ron Collins, VP-general sales manager for WPLG, Miami. □



Lean Cuisine on ice

Nestle spends $18M to introduce low-fat ice cream

By Julie Liesse

Nestle Dairy Systems is dishing out $18 million to introduce new Lean Cuisine ice cream.

But will that be enough to convince consumers disappointed in the quality of previous products to try another low-fat ice cream?

"We hope so," said Ralph Denisco, president-ceo of Nestle Dairy Systems, the ice cream marketing unit of Nestle USA. "Some consumers may say, 'I've experimented enough,' but on the other hand, the population still buys into the low-fat foods concept. I think, with enough promotional support, we'll get them to try us."

The ice milk product will be in 70% of the nation by June 1, supported by a TV and magazine campaign from Lean Cuisine agency Tatham/RSCG, Chicago, and a host of consumer promotions: free standing inserts, in-store sampling and cross-couponing with other Lean Cuisine products.

Nestle needs to entice non-users of Lean Cuisine into trying its new ice cream.

But "If we don't attract more than the Lean Cuisine users, if we don't become more mainstream, we won't meet our goals for this product," Mr. Denisco said.

To attract a broader consumer base, Nestle opted to use a few more grams of fat in its product than other reduced-fat ice creams already on the market, including ConAgra's Healthy Choice line.

"What consumers are saying is that first, these products have to taste like ice cream —even with slightly more fat content," Mr. Denisco said.

The 12-flavor line will be priced about 20¢ more than premium ice creams like Kraft General Foods' Breyers and Dreyers Grand Ice Cream products. Nestle has packaged the line in half-gallon containers of plastic, not the usual coated paper containers, both to keep the product fresher and to make a premium statement.

Mr. Denisco, who began working on a premium reduced-fat ice cream before his Drumstick Co. was acquired by Nestle last year, is optimistic about the Lean Cuisine line's chances. Drumstick tested the product in Michigan markets under another name and chalked up a 5% share, he said—beating out Haagen-Dazs Co.'s 4% share in those markets. □

Salad speedway

Nunes Co. will rev up the summer salad season with a $1 million promotion featuring its Foxy brand of iceberg lettuce and Newman's Own salad dressing. A 30-second TV spot will break in Eastern and Midwestern markets May 18, supported by point of purchase and trade promotions. The commercial features a bottle of Newman's Own "racing"—a la company founder Paul Newman—to pour dressing across a sea of salad greens. Nunes handles advertising in-house.

Cold cereal market shares

KELLOGG	1990 Lbs.	1990 $	1991 Lbs.	1991 $
Corn Flakes	5.3%	3.3%	5.4%	3.3%
Frosted Flakes	5.0	4.3	5.1	4.5
Raisin Bran	3.4	2.9	3.7	3.1
Rice Krispies	3.2	3.1	3.2	3.3
Bran products	2.6	2.3	2.5	2.2
Frosted Mini-Wheats	2.3	2.3	2.5	2.4
Froot Loops	1.8	2.2	1.8	2.3
Special K	1.3	1.6	1.3	1.6
Corn Pops	1.0	1.4	1.1	1.5
Crispix	0.9	1.1	1.0	1.0
Cracklin' Oat Bran	1.2	1.5	0.9	1.2
Apple Jacks	1.0	1.3	0.9	1.2
Nutri-Grain	0.9	0.9	0.8	0.9
Mueslix	0.7	0.9	0.7	0.9
Honey Smacks	0.7	0.7	0.7	0.8
Just Right	0.7	0.9	0.6	0.8
Cocoa Krispies	0.5	0.6	0.6	0.8
Common Sense Oat Bran	0.6	0.7	0.6	0.7
Product 19	0.6	0.7	0.6	0.7
Nut & Honey	0.8	0.9	0.6	0.6
Cinnamon Mini Buns	—	—	0.5	0.6
Shredded Wheat Squares	0.6	0.6	0.5	0.5
Oatbake	0.6	0.8	0.4	0.6
Kenmei Rice Bran	0.5	0.5	0.3	0.3
Double Dip Crunch	—	—	0.2	0.3
Bigg Mixx	0.3	0.3	0.2	0.2
Heartwise	0.2	0.3	0.1	0.3
Others	0.8	1.1	0.7	0.6
Total	**37.5**	**37.2**	**37.5**	**37.2**
GENERAL MILLS				
Cheerios	4.6	4.9	4.5	4.8
Honey Nut Cheerios	3.1	3.5	3.0	3.4
Total	2.0	2.6	1.8	2.5
Lucky Charms	1.7	2.0	1.7	2.0
Wheaties	1.7	1.5	1.6	1.4
Oatmeal Raisin Crisp	1.4	1.4	1.3	1.4
Apple Cinnamon Cheerios	1.2	1.5	1.2	1.4
Cinnamon Toast Crunch	1.0	1.3	1.2	1.4
Trix	1.1	1.5	1.1	1.6
Kix	1.0	1.3	1.1	1.5
Golden Grahams	1.1	1.3	1.1	1.3
Raisin Nut Bran	1.2	1.2	1.1	1.2
Triples	—	—	0.8	0.8
Clusters	0.7	0.9	0.7	0.9
Total Raisin Bran	0.8	0.9	0.7	0.8
Cocoa Puffs	0.6	0.8	0.6	0.8
Basic 4	—	—	0.6	0.7
Crispy Wheats 'n Raisins	0.5	0.5	0.4	0.4
Monster cereals	0.3	0.4	0.3	0.4

GENERAL MILLS (cont'd)	1990 Lbs.	1990 $	1991 Lbs.	1991 $
Fibre One	0.3%	0.3%	0.3%	0.3%
Others	0.1	0.2	—	—
Total	**24.4**	**28.0**	**25.1**	**29.0**
GENERAL FOODS				
Grape-Nuts	2.5	2.0	2.9	2.3
Pebbles	1.6	2.0	1.9	2.3
Raisin Bran	1.5	1.3	1.6	1.4
Honey Bunches of Oats	1.0	1.0	1.0	1.0
Super Golden Crisps	0.8	0.8	0.7	0.7
Honeycomb	0.8	0.9	0.8	1.0
Alpha-Bits	0.8	0.9	0.7	0.8
Post Fruit & Fiber	0.7	0.7	0.7	0.7
40% Bran Flakes	0.5	0.4	0.5	0.4
Post Toasties	0.5	0.2	0.5	0.3
Oat Flakes	0.3	0.3	—	—
Others	0.1	0.2	0.1	0.2
Total	**11.1**	**10.7**	**11.4**	**11.1**
QUAKER OATS				
Cap'n Crunch	3.1	2.9	3.0	2.9
Life	1.3	1.2	1.5	1.3
100% Natural	1.0	0.9	1.0	0.9
Quaker Oat Squares	0.9	0.8	0.9	0.8
Oh's	0.5	0.6	0.4	0.6
Corn Bran	0.3	0.3	0.2	0.1
Quaker Oat Bran	0.2	0.3	0.1	0.1
Others	0.5	0.3	0.4	0.4
Total	**7.8**	**7.3**	**7.5**	**7.1**
RALSTON PURINA				
Chex	3.2	3.2	3.2	3.2
Muesli	0.5	0.7	0.5	0.6
Almond Delight	0.5	0.6	0.4	0.5
Cookie Crisp	0.4	0.5	0.4	0.5
Others	0.2	0.2	0.1	0.1
Ralston's licensed products:				
Teenage Mutant Ninja Turtles	0.6	0.6	0.3	0.4
Batman	0.3	0.4	0.1	0.2
Nintendo	0.3	0.3	0.1	0.1
Breakfast With Barbie	0.1	0.2	—	—
Subtotal	1.3	1.5	0.5	0.7
Total	**6.1**	**6.7**	**5.1**	**5.6**
NABISCO				
Shredded Wheat	2.7	2.5	2.3	2.3
Fruit Wheats	0.4	0.4	0.3	0.3
Frosted Wheat Squares	0.4	0.4	0.2	0.2
100% Bran	0.4	0.3	0.1	0.1
Teddy Grahams	0.3	0.3	0.1	0.1
Others	0.2	0.3	0.2	0.2
Total	**4.4**	**4.2**	**3.2**	**3.2**
ALL OTHERS	8.7	5.9	10.2	6.8
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: John C. Maxwell Jr.

Market shares of the top 10 cereals

Brand	1990 Lbs.	1990 $	1991 Lbs.	1991 $
Corn Flakes (Kellogg)	5.3%	3.3%	5.4%	3.3%
Frosted Flakes (Kellogg)	5.0	4.3	5.1	4.5
Cheerios (General Mills)	4.6	4.9	4.5	4.8
Raisin Bran (Kellogg)	3.4	2.9	3.7	3.1
Rice Krispies (Kellogg)	3.2	3.1	3.2	3.3
Chex (Ralston Purina)	3.2	3.2	3.2	3.2
Honey Nut Cheerios (General Mills)	3.1	3.5	3.0	3.4
Cap'n Crunch (Quaker Oats)	3.1	2.9	3.0	2.9
Grape-Nuts (General Foods)	2.5	2.0	2.9	2.3
Frosted Mini-Wheats (Kellogg)	2.3	2.3	2.5	2.4
Bran products (Kellogg)	2.6	2.3	2.5	2.2
TOTAL	**38.3%**	**34.7%**	**39.0%**	**35.4%**

Source: John C. Maxwell Jr.

Cold cereals growing; Kellogg remains on top

By John C. Maxwell Jr.

MAXWELL REPORT

The cold cereal industry was up some 3.7% in volume and close to 8% in dollars last year.

Volume was about 2.71 billion pounds; dollar sales hit $7.8 billion as pricing went up about 4%, in line with inflation.

Kellogg Co. maintained its share lead in 1991 with 37.2% of dollar sales. Its basic products remained stable or grew some, as was the case with Raisin Bran and Frosted Mini Wheats. Although some recent new products haven't been particularly successful, including Common Sense oat bran, Kenmei rice bran, Bigg Mixx and Heartwise, new Cinnamon Mini Buns and Double Dip Crunch appear to be doing well.

General Mills gained about 1 share point last year, to 29%, due to the stabilization of core brands and successful movement of its new brands, Triples and Basic 4. Volume increased for Kix, and a Berry Berry Kix line extension will enter the market in May.

The company has also introduced Multi Grain Cheerios and Wheaties Honey Gold, and more introductions are expected.

Kraft General Foods' Post division increased share modestly to 11.1%, mainly because of core products such as Grape-Nuts and the Pebbles line.

Quaker Oats Co. had a slight share loss to 7.1%, but the company has indicated it will introduce new products in the second half of the year. (A low-fat version of Quaker 100% Natural is rolling out now.)

Ralston Purina Co. lost a full share point in 1991, to 5.6%, primarily due to the drastic falloff of its licensed products. However, Ralston has been doing very well in private-label cereals.

Nabisco Foods Group fell 1 point to 3.2% as the company continued to focus on its main brand, Shredded Wheat, which is still declining. A variety of strategies are planned for this year to help stem the tide. □

Mr. Maxwell is an analyst with Wheat, First Securities.

What's ahead for the new Altschiller

Shop gets more freedom in DDB, T-L merger

By Pat Sloan and Jennifer Lawrence

Altschiller Reitzfeld is on the acquisition trail following the merger of its former parent, Tracy-Locke, into DDB Needham Worldwide.

Omnicom Group, the giant holding company that owns all three shops, last week announced most of Tracy-Locke will be folded into DDB Needham. But Dallas-based Tracy-Locke will keep its name and be called Tracy-Locke, a DDB Needham Agency.

New York-based Altschiller, formerly Altschiller Reitzfeld/-Tracy-Locke, is being spun out from Tracy-Locke to become a free standing unit similar to Omnicom's San Francisco-based Goodby, Berlin & Silverstein unit.

Omnicom Chairman-CEO Bruce Crawford said the company is now considering expanding Altschiller through U.S. acquisitions.

"I will work with David [Altschiller, agency chairman-ceo] on a plan for growth through acquisition or merger in 1993 or beyond," Mr. Crawford said. However, he said merging Altschiller with Goodby was "not viable."

Mr. Altschiller said no prospects have been identified yet.

Tracy-Locke had 1991 billings of $395 million with about 13% of that generated by Altschiller, DDB Needham executives say. DDB Needham had worldwide billings of more than $5 billion. Altschiller's '92 billings are estimated at $85 million.

Tracy-Locke's merger with DDB Needham beefs up the Dallas agency's sagging creative reputation and provides it with access to DDB Needham's international network. But Tracy-Locke also brings something to the party, said Mike Rawlings, agency president-ceo.

"You have an agency, Tracy-Locke, that lives and breathes the new ad strategy of integrated marketing, like the Pepsi 'Uh-huh' month," he said, referring to a promotion stemming from the agency's regional work for Pepsi-Cola Co. "There's a lot of growth opportunity for us."

Keith Reinhard, chairman of DDB Needham Worldwide and a major proponent of integrated marketing, shares that viewpoint.

He said the merger "gives us a stronger presence in Dallas," where key DDB Needham clients like American Airlines, GTE Corp. and Frito-Lay are located. Those clients have been serviced by a local DDB Needham office.

"But Tracy also has quite a few specialty services under one roof and within one profit center," Mr. Reinhard said. "What they've done with Pepsi in terms of promotion is very tasty stuff."

Mr. Reinhard was referring to units like Tracy-Locke Direct, Tracy-Locke/Pharr Public Relations, Tracy-Locke Promotional & Regional Marketing and Ornelas & Associates, a Hispanic marketing agency.

Crawford

Although DDB Needham offers none of those services in the U.S., Omnicom's Diversified Agency Services unit includes specialty shops like Rapp Collins Marcoa (direct marketing), Porter Novelli (public relations) and Doremus & Co. (corporate and financial PR).

"If you look at the two sides, it's a win-win situation," Mr. Rawlings said. "You have a big, successful multinational agency that now has a full-service office for GTE and American Airlines' international business."

It's no secret DDB Needham covets American's domestic business, now at Bozell/Southwest, Dallas.

"We are going to make an all-out effort to service [American's] international business," Mr. Rawlings said. "If some time in the future [the domestic account] works out, we'll be more than happy."

American Airlines wouldn't comment on the merger, but airline executives have indicated previously Bozell has a firm hold on the $110 million domestic account. Spending on the international assignment is about $25 million.

Mr. Rawlings said clients have been "very supportive" of the merger. However, Tracy-Locke, as expected, will resign its regional agency of record assignment for Kentucky Fried Chicken Corp. in a dozen Southeastern markets because DDB Needham handles regional co-op advertising for McDonald's Corp.

The 11 Dallas-based DDB Needham staffers will move to Tracy-Locke offices there. A DDB Needham spokesman said it hasn't yet been resolved what title Greg Taucher, former head of DDB Needham's Dallas office, will assume. □

MCA

(Continued from Page 3)

had been thought possible by some promotion executives.

Others thought Burger King would stick with the multiagency approach, also favored by rival McDonald's Corp. If so, the favorite was Comart, New York, the Euro RSCG unit that created and is implementing the "Hidden Surprise" promotion, part of Burger King's partnership with Walt Disney Co.

If there was a dark horse with a chance, it was Clarion Marketing & Communications, Greenwich, Conn. Clarion is a division of D'Arcy Masius Benton & Bowles, which splits Burger King's advertising account with Saatchi & Saatchi Advertising.

But it was MCA, the unexpected fourth finalist, that pulled off the upset. The agency has handled promotional work for American Express Co., Bristol-Myers Squibb Co., Duracell USA, Kraft General Foods and others.

Barry L. Conrad, president of Burger King Franchise Division-Americas, couldn't be reached for comment but said in a prepared statement MCA won because "it is a hot, creative shop that will add extra dimension to our marketing."

He said Burger King wants MCA to develop promotions targeted to specific dayparts and specific menu products. □

Upfront

(Continued from Page 3)

budgets returning to the prime-time marketplace following the 1992 Olympics will provide a boost. But just how significant a boost is a matter of debate.

"That's what everyone is trying to figure out," said CBS Senior VP-Network Sales Joe Abruzzese. "That's why there hasn't been any pre-upfront market."

A network sales executive said a study by a major ad agency concluded each Olympic unit equates to three prime-time units because Olympic buys generally command a 60% premium.

Whether that holds up will depend largely on how NBC sells the rest of its Summer Olympics inventory. Currently, NBC claims to be about 80% sold on its projected goal of $500 million in Olympics advertising time.

Meanwhile, the focus is on CBS. The prime-time ratings leader trails both ABC and NBC in inventory prices.

According to an *Advertising Age* analysis of data from Nielsen Monitor-Plus, the average cost per spot on CBS in 1991 was $72,222; on ABC it was $92,871; and on NBC it was $94,718. The average spot on Fox cost just $53,997. □

'Worth'

(Continued from Page 4)

as high-end cars, watches and premium liquors should account for about 45% of the mix.

Worth has carried ads from such upscale marketers as Mercedes-Benz of North America, Tiffany & Co. and Schieffelin & Somerset Co.'s Johnnie Walker Black Label scotch.

"It's a very logical audience" for marketers of luxury products, Mr. Jones said. "If they are in control of their personal finances, they're more likely to spend."

"The theory should be that [*Worth* readers] are a viable audience for upscale products, not just the endemics," said Michael Lotito, exec VP-director of media services at Ammirati & Puris. "You have to broaden out to these other categories."

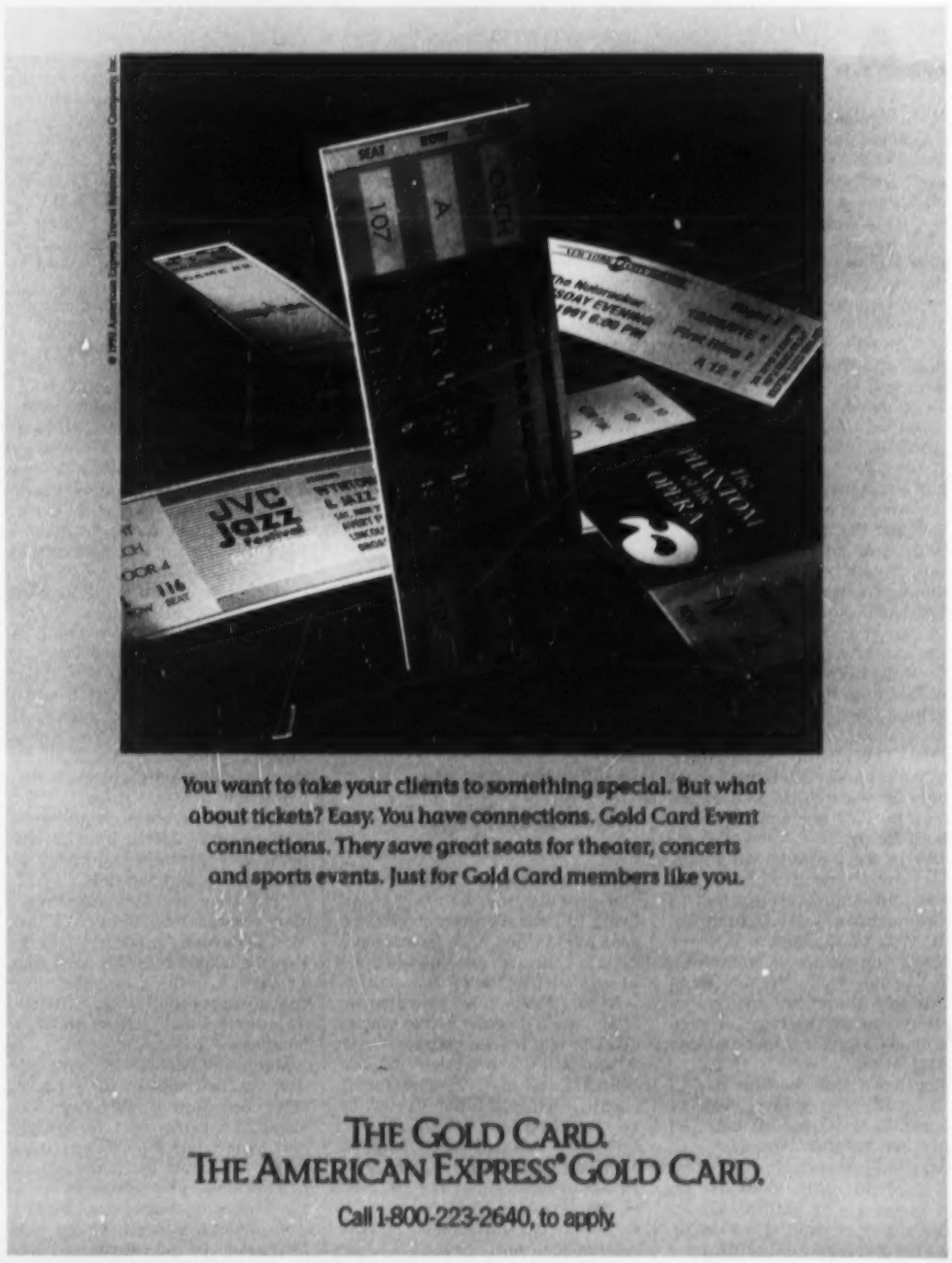
Worth will increase its rate base 25% with its August/September issue, to 250,000.

Meanwhile, early consumer reaction to another new personal finance magazine, *SmartMoney*, appears strong.

The first newsstand test of *SmartMoney*, published in March as a joint venture between Hearst and Dow Jones & Co., produced strong sales results, said executives at both companies, though the test is still being evaluated.

One executive close to the project said 70% of the 250,000 copies distributed to newsstands were sold, well above the 50% goal.

A second test issue of *SmartMoney* will be published in the fall, after which a decision will be made on whether to increase the magazine's frequency. □



You want to take your clients to something special. But what about tickets? Easy. You have connections. Gold Card Event connections. They save great seats for theater, concerts and sports events. Just for Gold Card members like you.

THE GOLD CARD.
THE AMERICAN EXPRESS® GOLD CARD.

Call 1-800-223-2640, to apply.